



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: A Public Hearing to consider a resolution adopting the Budget for Fiscal Year 2023-24 and the Capital Improvement Program for Fiscal Years 2023-24 through 2027-28, setting the Annual Appropriations Limit, adopting the Fiscal Year 2023-24 Investment Policy, and adopting an updated City-Wide Salary Schedule

MEETING DATE: June 14, 2023

PREPARED BY: Shay Narayan, Budget Manager

DEPARTMENT HEAD: Matt Paulin, Finance Director

RECOMMENDED ACTION:

Staff recommends that the City Council conduct a public hearing and consider a resolution adopting the Budget for Fiscal Year 2023-24 and the Capital Improvement Program for Fiscal Years 2023-24 through 2027-28, setting the Annual Appropriations Limit, adopting the Fiscal Year 2023-24 Investment Policy, and adopting an updated City-Wide Salary Schedule.

DISCUSSION:

Staff will present an overview and analysis of the proposed Fiscal Year (FY) 2023-24 Budget and five-year funding forecast. The City Council can consider, comment, and provide direction to modify and/or adopt the FY 2023-24 Budget and FY 2023-24 through 2027-28 Capital Improvement Program (CIP), set the annual appropriations limit, and adopt the FY 2023-24 Investment Policy via resolution.

Fiscal Year 2023-24 Budget

The City Manager presented highlights from the proposed FY 2023-24 Budget at the City Council meeting on May 24, 2023. At the June 14, 2023, Council meeting, staff will provide further details of the Budget including:

- Public Outreach Efforts
- Changes since May 24, 2024
- Capital Improvement Program Highlights

- Measure E
- General Fund Details
- Five Year Forecasts
 - General Fund
 - Special Revenue and Enterprise Fund Forecasts

Appropriations Limit

The General Fund appropriations limitation established for FY 2023-24 is \$139,571,536, and the Proposed FY 2023-24 General Fund Budget (including all General Fund extension funds, such as Measure E) of \$112,906,511 is well within the appropriations limit.

Investment Policy

The City's investment advisor, Chandler Asset Management, has recently reviewed the City's Investment Policy and is recommending revisions. Pursuant to Senate Bill 1489, effective January 1, 2023, state law (Government Code Section 53601) now specifies that an investment's term or remaining maturity shall be measured from the trade settlement date to the final maturity date rather than from the purchase date. The proposed investment policy reflects this change in Section XVI Maximum Maturities, and Section XVII.2 Mitigating Market Risk in the Portfolio.

Salary Schedule

The updated salary schedule (Exhibit B of the attached Resolution) adds the salary grades for the following new position classifications:

- Traffic Signal Technician I
- Traffic Signal Technician II
- Real Estate Manager
- Real-Time Information Center Analyst
- Real-Time Information Center Operator
- Mental Health Clinician
- Homeless Services Navigator
- Community Events Program Manager

It also incorporates an increase of 2% for all salary grades associated with the Police Management Association, effective 7/2/2023. A new Memorandum of Understanding (MOU) with the Police Officers Association is currently being finalized and salary schedule changes associated with that MOU are expected to be presented to Council at the meeting of June 28. Other salary adjustments for unrepresented classifications based on a recent total compensation survey are expected to be presented to the City Council in July.

ALTERNATIVE ACTIONS:

The Budget must be adopted before the start of the new fiscal year that begins on July 1, 2023. The Council may adopt the Budget at its June 14, 2023, meeting or continue the item for further discussion and final action on June 28, 2023. If the Budget is not adopted before July 1, 2023, the City must operate on a continuing resolution of the prior Fiscal Year Budget, FY 2022-23, until a Budget for FY 2023-24 is formally adopted.

FISCAL IMPACT:

Highlights of the Proposed FY 2023-24 Budget are discussed in the Budget Transmittal Letter, which is included as Attachment 2. The proposed General Fund budget totals \$88.9 million, and all funds total \$349 million. This total Budget amount reflects an increase of \$600,000 from the previously released Proposed Budget of \$348 million.

The \$600,000 increase encompasses the following:

- \$50,000 for the City Council budget within the General Fund, increasing (hence essentially doubling) the Mayor and City Council members' discretionary part-time/donations budget from \$10,000 to \$20,000 each.
- \$500,000 for the General Fund to factor in additional impacts from anticipated compensation increases for represented and non-represented employees.
- \$50,000 for the Laguna Ridge Community Facilities District Maintenance Fund to budget for an anticipated increase in operating costs at District 56.

ATTACHMENTS:

1. Resolution adopting the FY 2023-24 Budget, FY 2023-24 through 2027-28 Capital Improvement Program, and the FY 2023-24 Investment Policy
 - a. Exhibit A: FY 2023-24 Investment Policy
 - b. Exhibit B: City-Wide Salary Schedule
2. FY 2023-24 Budget Transmittal Letter
3. Copies of the FY 2023-24 Proposed Budget and the FY 2023-24 through 2027-28 CIP are available at the Office of the City Clerk, local libraries, and online at:

http://www.elkgrovecity.org/city_hall/departments_divisions/finance

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
ADOPTING THE FISCAL YEAR 2023-24 BUDGET AND THE FISCAL YEAR 2023-24
THROUGH FISCAL YEAR 2027-28 CAPITAL IMPROVEMENT PROGRAM,
SETTING THE ANNUAL APPROPRIATIONS LIMIT, ADOPTING THE
FISCAL YEAR 2023-24 INVESTMENT POLICY, AND ADOPTING THE CITY-WIDE
SALARY SCHEDULE**

WHEREAS, the City Manager has submitted the Fiscal Year 2023-24 Budget to the City Council for consideration and comment; and

WHEREAS, the Fiscal Year 2023-24 Budget was prepared in accordance with the City Council's goals, Departmental Work Plans, budget assumptions, and policies; and

WHEREAS, the Fiscal Year 2023-24 Budget is balanced and does not require additional taxes or withdrawals from reserves for appropriations; and

WHEREAS, Article XIII B of the California State Constitution and Government Code Section 7910 requires a city to establish its appropriations limit for each fiscal year; and

WHEREAS, as required by state law, on April 20, 2023, the Planning Commission adopted a resolution finding the Fiscal Year 2023-24 through 2027-28 Capital Improvement Program to be consistent with the General Plan; and

WHEREAS, a duly noticed public hearing was held on June 14, 2023, to consider information presented by staff and to receive public comment regarding adoption of the proposed Fiscal Year 2023-24 Budget and Fiscal Year 2023-24 through 2027-28 Capital Improvement Program.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

- A. Adopts the FY 2023-24 Budget and the FY 2023-24 through 2027-28 Capital Improvement Program as defined in Section 2.1 of this resolution, and sets the Appropriations Limit as described in Section 6.1 of this resolution and presented on June 14, 2023.
- B. Authorizes the City Manager to exercise the authority and undertake the responsibilities set forth in Sections 1 through 9 of this resolution to implement the Approved Budget.
- C. Adopts the FY 2023-24 Investment Policy attached hereto as Exhibit A and incorporated by this reference.
- D. Adopts the City-Wide Salary Schedule attached hereto as Exhibit B and incorporated by this reference.

SECTION 1. SCOPE

- 1.1 This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget of the City of Elk Grove.

SECTION 2. DEFINITIONS

- 2.1 "Approved Budget" or "Adopted Budget" refers to and encompasses all appropriations and budgeted revenues contained in the following documents: the FY 2023-24 Adopted Budget and FY 2023-24 through 2027-28 Adopted Capital Improvement Program as published and presented to and approved by the City Council. The terms Approved Budget and Adopted Budget are used interchangeably within this resolution.
- 2.2 The "Amended Budget" is subsequent to the Adopted or Approved Budget and encompasses any adjustments to appropriations or budgeted revenues that occur after adoption of this resolution.
- 2.3 "City Manager" means the City Manager or, if so designated, the Finance Director or the Budget Manager.

SECTION 3. AUTHORIZED APPROPRIATIONS

- 3.1 The City Manager is authorized to make any appropriation and resource adjustments to the Adopted Budget based on direction given by the City Council during the Council agenda item that results in the City Council action to approve and adopt the Budget.
- 3.2 The City Manager is authorized to establish the appropriations limits and staffing as indicated in the Adopted or Amended Budget.
- 3.3 Adjustments to appropriations or budgeted revenues that result in an increase or decrease to the City's total expenditure budget or total revenue budget are considered an Amendment and must be approved by City Council unless such authority is granted to the City Manager within this resolution.
- 3.4 Expenditures shall not exceed the Adopted or Amended Budget for any fund.
- 3.5 The City Manager is authorized to approve operating appropriation and revenue transfers within the same fund; transfers between funds (except "like funds," see Section 3.6) must be approved by City Council.
- 3.6 The City Manager is authorized to approve operating appropriation and revenue transfers between like funds. "Like Funds" are essentially a group of funds with mutual financial association that serve a common purpose and are defined specifically below.
 - a. Like funds within the General Fund are 101, 105, 106, 108.
 - b. Like funds within the Recycling and Waste Enterprise are 501, 502 and 506.
 - c. Like funds within the Capital Improvement Federal Grants program are 301 and 351.
 - d. Like funds within the Capital Improvement State Grants program are 302 and 352.
- 3.7 Appropriations within the City's Asset Seizure funds can be amended based on available funds during the Fiscal Year if authorized by the City Manager.

- 3.8 Capital Outlay appropriation transfers within the same Capital Improvement Program Project, Minor Public Works Project, or Study (capital improvement projects with a value of less than \$250,000 and capital project-related studies) within the same fund must be authorized by the City Manager.
- 3.9 Capital Outlay appropriation transfers from a Capital Improvement Program Project to another Capital Improvement Program Project must be approved by City Council unless such authority is granted to the City Manager within this resolution or in other prior Council resolutions.
- 3.10 Capital Outlay appropriation transfers from a Capital Improvement Program Project to another Capital Improvement Program Project within the Pavement Rehabilitation program (WPR), where both projects are within the same fund, must be approved by the City Manager.
- 3.11 Capital Outlay appropriation transfers from a Minor Public Works Project or Study (capital improvement projects with a value of less than \$250,000 and capital project-related studies) to a Capital Improvement Program Project where both projects are within the same fund must be approved by the City Manager.
- 3.12 The City Manager is authorized during the fiscal year to amend the budget of a Capital Improvement Program Project that has been completed to reduce the remaining budget in that completed project to zero.
- 3.13 The City Manager is authorized during the fiscal year to amend the budget of a Minor Public Works Project or Study (capital improvement projects with a value of less than \$250,000 and capital project-related studies) that has been completed to reduce the remaining budget in that completed project or study to zero.
- 3.14 If inconsistencies in the Adopted Budget document result in incorrect adopted budget amounts being implemented, the City Manager is authorized to amend those Adopted Budget amounts to correct such inconsistencies based on staff's conclusion and determination of the correct budgeted amount(s).
- 3.15 The City Manager is authorized during the fiscal year to amend interfund loan principal and interest transfer-out expenditure budgets and corresponding transfer-in revenue budgets in Funds 261, 265, 315, 324, 330, 331, 332, 344 associated with the interfund loans authorized on February 13, 2019, Agenda Item No. 10.1 based on actual revenue activity in those funds. The ability to repay and accelerate interfund loan payments is contingent upon available funds to make debt service payments.
- 3.16 The City Manager is authorized during the fiscal year to amend the transfer-out expenditure budget in the Laguna Ridge Parks Fee Fund (Fund 360) and corresponding transfer-in revenue budgets in the General Fund, Poppy Ridge Community Facilities District Fund (Fund 343), and Laguna Ridge Community Facilities District Fund (Fund 344) to reimburse funds 343 and 344 for any year that these funds contributed toward debt service payments in the Debt Service Elk Grove Finance Authority – District56 Nature Area and Old Town Plaza Fund (Fund 407). Amending the budget for such reimbursements is contingent upon available funds in Fund 360 to pay those reimbursements.
- 3.17 The City Manager is authorized to amend budgeted revenues and expenditures in the Police Extra-Duty Fund (Fund 213) during the fiscal year based on actual revenue and expenditure activity and available funding.

- 3.18 The City Manager is authorized to jointly amend the transfer-out expenditure budget in the General Fund and the transfer-in revenue budget in the Police Extra-Duty Fund (Fund 213) during the fiscal year to subsidize any deficit in Fund 213 as a result of actual extra-duty costs being greater than the actual extra-duty rate revenues being received over-time.
- 3.19 In accordance with section 2.0.5 of the Fund Balance Reserve Policy, the City Manager is authorized to amend the current fiscal year's General Fund transfer-out expenditures budget and the transfer-in revenue budgets in the Capital Reserve Fund (Fund 106) and Economic Development Fund (Fund 105) by an increase in the amount of reserves needed to be transferred as directed by the policy.
- 3.20 The City Manager is authorized to amend the Animal Services Donations Fund (Fund 735) budget during the fiscal year to gratify specific spending expectations associated with designated donations deposited into the fund.
- 3.21 The City Manager is authorized to amend the revenue and expenditure budgets within the Planning Division and Development Engineering Division of the Development Services Fund during the fiscal year to align with actual planning and development activity. Revenues and expenditures in these divisions are based on billable hours of work performed on private infrastructure development projects that can vary significantly annually. The timing of and progress toward completion of planning and development engineering activities for private infrastructure development projects are highly unpredictable and difficult to project.
- 3.22 The City Manager is authorized to amend the interest investment earning revenue budget in the Disaster Relief Fund (Fund 240) during the fiscal year to reflect actual revenue activity and is also authorized to increase the expenditure budget, in alignment with interest investment earning revenue activity, with the intent of spending the investment revenue.
- 3.23 The City Manager is authorized to amend the revenue and/or expenditure budget during the fiscal year in the General Fund and the Strategic Planning Grants Fund (Fund 247) as necessary to migrate activity from the General Fund to Fund 247 and reconcile grant budgets among various awards.
- 3.24 The City Manager is authorized to amend the expenditure budget within the Community Service Grants division of the General Fund, specifically associated with the Arts Commission, once during the fiscal year by an increase equal to the total revenues recorded in the prior fiscal year as a result of, and associated with, Arts Commission activities.
- 3.25 The City Manager is authorized to amend the Risk Management Fund (Fund 601) expenditure budget during the fiscal year to accommodate unexpected settlements, judgments, fines, and penalty payments.
- 3.26 The City Manager is authorized to amend revenue and expenditure budgets during the fiscal year in Funds purposed for grant activities associated with grant funding that is awarded to the City on a cyclical basis (e.g., annually, bi-annually, etc.) to align with actual award activity in those funds.

- 3.27 The City Manager is authorized to jointly amend the revenue and expenditure budget during the fiscal year in a Fund purposed for grant activity by an increase to return previously awarded grant funds back to a granting agency, per the request or direction of that granting agency.
- 3.28 The City Manager is authorized to amend the American Rescue Plan Act (ARPA) revenue and expenditure budgets during the fiscal year as necessary to plan for all activity associated with ARPA funding until all ARPA revenues and expenditures are fully recorded.
- 3.29 The City Manager is authorized to amend the expenditure budget in the Measure E Fund (Fund 109) during the fiscal year as necessary to fulfill the City's obligation to pay the Cosumnes Community Services District the agreed upon portion of Measure E Tax revenues the City receives on a monthly basis.

SECTION 4. STAFFING AND COMPENSATION INCREASES

- 4.1 Any augmentation to Position Control or the City-Wide Salary Schedule beyond what is authorized and/or accounted for in the Adopted or Amended Budget must be approved by the City Council.

SECTION 5. UNSPENT APPROPRIATIONS AND ENCUMBRANCES

- 5.1 All appropriations in the FY 2022-23 Budget which remain unencumbered or unexpended on June 30, 2023, shall revert to the fund balance of the respective funds upon the closing of the fiscal year, except for those outlined in section 5.3 of this resolution.
- 5.2 All outstanding purchase order commitments on June 30, 2023, and associated appropriations, are hereby continued for FY 2022-23 until the fiscal year-end close occurs.
- 5.3 Unencumbered or unexpended appropriations:
 - a) Unencumbered or unexpended Capital Outlay appropriations within the Capital Improvement Program, Minor Public Works Projects and Studies in FY 2022-23 are eligible to be re-authorized in FY 2023-24 by project and by fund in addition to the adopted Capital Outlay appropriations in the FY 2023-24 Budget.
 - b) Unencumbered or unexpended appropriations for Facilities project expenditures in Funds 106 and 602 (Building and non-Building improvements) are eligible to be re-authorized in FY 2023-24 by project and by fund.
 - c) Unencumbered or unexpended appropriations in the City's Asset Seizure funds are eligible to be re-appropriated in FY 2023-24.
 - d) Any FY 2022-23 encumbered purchase orders included in the calculation of FY 2022-23 year-end projected expenditures in which the City Manager determines that the authorized equipment, goods and services are needed for continued and efficient City operations are authorized to be re-appropriated and 'rolled over' to FY 2023-24.
 - e) Unencumbered or unexpended appropriations in Fund 242 State Homeless Appropriation are eligible to be re-appropriated in future Fiscal Years.

- f) Unencumbered or unexpended appropriations in Fund 285 Neighborhood Stabilization are eligible to be re-appropriated in future Fiscal Years.
- g) Unencumbered or unexpended appropriations from the Civic Summer grant, awarded by the Institute for Local Government, are eligible to be re-appropriated in FY 2023-24.
- h) Reaffirms the authorization received in Grant authorization resolutions that unencumbered or unexpended appropriations, and unrecognized budgeted revenues, from non-capital project Grants, are approved for re-budgeting in subsequent fiscal years if any Grant funds were not expended or earned in a prior fiscal year.
- i) Unencumbered or unexpended appropriations within the Community Service Grants division of the General Fund specifically associated with the Arts Commission are eligible to be re-appropriated in FY 2023-24.
- j) Unencumbered or unexpended appropriations, and unrecognized budgeted revenues, within the Strategic Planning and Innovation Division of the General Fund, Strategic Planning Grants Fund, the Development Services Fund, and the Gas Tax Fund that are associated with the following list of Special Projects are eligible to be re-budgeted in FY 2023-24.

Project Number	Project Title	Account Lines
SP0002	Climate Action Plan (CAP) Implementation	1011240-5202101
SP0003	Old Town SPA Update	2953150-5202101
SP0004	Civic Center North Master Plan (Elevate)	1011240-5091407, 1011240-5202101
SP0005	Kammerer Urban Design Study (UDS)	1011240-5202101, 2953150-5202101
SP0006	Rural Area Market Analysis	2953150-5202101
SP0007	Smart City	1011240-5202101
SP0009	Zoo Relocation	1011240-5071207, 1011240-5152006, 1011240-5202101, 1011240-5272710, 1051210-5202101, 1051220-5202101
SP0010	Southeast Industrial Area Infrastructure Master Planning	2953150-5202101
SP0012	Kammerer Corridor Infrastructure Planning	2953150-5202101
SP0013	2024 Climate Action Plan Update	2953150-5202101
SP0014	Trails Wayfinding	2211240-5202101
SPG001	Bloomberg	1011241-5XXXXXX
SPG007	General Plan Update 2020	2471241-3440200, 2471241-5202101,

		2953150-5202101
SPG009	2022 OTS Safety Grant	2471241-3440200, 2471241-5202101
SPG010	Broadband/Tides Grant	2471241-3440200, 2471241-5202101

SECTION 6. APPROPRIATION LIMITS

- 6.1 The appropriations limitation established for the General Fund for FY 2023-24 shall be \$139,571,536 and the adopted FY 2023-24 General Fund Budget has not exceeded the appropriations limit.
- 6.2 The City of Elk Grove selected the growth in per capita income calculation method to determine the cost-of-living factor for the 2023-24 fiscal year. Per the California Department of Finance, the growth in Per Capita Personal Income for FY 2023-24 is 4.44%; hence the cost- of-living factor is 1.0444. The Annual Percent Change in Population for Elk Grove per the California Department of Finance is .02%, which is greater than for the County of Sacramento at -.23%; hence the population factor chosen is 1.0002. Thus, the combined adjustment factor for the appropriations limit is calculated by multiplying the cost-of-living factor (1.0444) by the population factor (1.0002), equaling 1.0446.
- 6.3 The actual General Fund appropriation for FY 2022-23 has not exceeded the appropriations limitation adopted for FY 2022-23.

SECTION 7. MID-YEAR PERFORMANCE AND FINANCIAL REPORT

- 7.1 The City Council shall be provided a Mid-Year Financial Report including a revised estimate of the financial condition of operating funds, prior year actual fund balances, revised estimated revenues and expenditures, projected ending fund balances or deficits, and recommendations for eliminating any projected fund deficits if applicable.

SECTION 8. MISCELLANEOUS CONTROLS / CONSIDERATIONS

- 8.1 The City Manager is authorized to amend budgets and journal activity between the Roadway Fee Fund (Fund 328) and the Community Facilities District 2002-1 East Franklin Fund (Fund 341) associated with Capital Improvement Program projects related to improvements on and around Kammerer Road to take advantage of prioritized funding from more restricted funding sources over less restricted funding sources.
- 8.2 The City Manager is authorized to amend budgets for the repayment of funds from the Southeast Policy Area (SEPA) Drainage Impact Fees (Fund 334 and Funds 371 through 379), New Growth Area infrastructure, SEPA Planning/formation fee, and the Roadway Fee to the various funds that have funded monies including the General Fund and Laguna Ridge Community Facilities District. The repayment will likely happen over an extended period.
- 8.3 The City Manager is authorized to amend the transfer-out expenditure budget in

the Animal Shelter Capital Improvement Fund (Fund 346) by an increase equal to the amount of the available fund balance in the fund, and to jointly amend the transfer-in revenue budget in the Debt Service Elk Grove Finance Authority – Animal Shelter and Parkland Fund (Fund 406) by an increase in the same amount. Granting the authorization for the above budget amendment is contingent upon Council approval of the Notice of Completion of, and upon the completion and recording of all activity associated with, the Elk Grove Animal Shelter capital improvement project (WFC012).

- 8.4 The City Manager is authorized to prepay the City’s annual CalPERS Unfunded Accrued Liability payments in a lump sum consistent with the FY 2023-24 budget.
- 8.5 The indirect cost rates, as detailed in the City of Elk Grove General Cost Allocation Plan, Internal Service Allocation Plan, and Capital Improvement Program Cost Allocation Plan, shall be charged to departments and capital projects as project funding and regulations permit.

SECTION 9. REQUESTED CHANGES TO FY 2022-23 BUDGET AUTHORITY

- 9.1 The City Manager is authorized to jointly amend the FY 2022-23 transfer-out expenditure budget in the General Fund and corresponding transfer-in revenue budget in the Strategic Planning Grants Fund (Fund 247) by an increase equal to the amount of grant revenue associated with the Resiliency Plan project (SPG003) that was recorded in error in the General Fund.
- 9.2 The City Manager is authorized to amend the FY 2022-23 revenue and expenditure budgets for account associations (line items) containing “contra” object codes by decreasing the budgeted amounts to zero. Contra account associations are used as an internal accounting tool to balance loan principal payment payables and receivables in journal vouchers that process interfund loan payments and repayments. The activity in these account associations does not reflect any actual revenues being received by the City or any actual goods or services being provided to residents.
- 9.3 The City Manager is authorized to jointly amend the FY 2022-23 transfer-out expenditure budget in the Risk Management Fund (Fund 601) and transfer-in revenue budgets in a variety of funds associated with the reversal (reimbursement) of Internal Service Fund charge amounts to those funds that were excessively charged overtime. The historical overcharging has resulted in an excess fund balance in Fund 601.
- 9.4 The City Manager is authorized to jointly amend the FY 2022-23 revenue and expenditure budget in the Federal Police Grants Fund (Fund 216) associated with the 8400 City Hall Improvements Project (WFC039) by an increase in the amount of \$520,000.
- 9.5 The City Manager is authorized to amend the FY 2022-23 expenditure budget in the City Hall Campus Improvements Fund (Fund 408) by an increase of \$2,000 to pay for consulting and administration costs associated with the bond issued to finance the construction of various improvements to City facilities.
- 9.6 The City Manager is authorized to amend the FY 2022-23 revenue and expenditure

budget in the Measure E Fund (Fund 109) to align with actual revenue activity and to satisfy any obligations or commitments made by the City to the Cosumnes Community Services District.

This resolution will take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of June 2023

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

CITY OF ELK GROVE



INVESTMENT POLICY Fiscal Year 2023-2024

CITY OF ELK GROVE INVESTMENT POLICY

I. PURPOSE

This statement is intended to provide guidelines for the prudent investment of the City's surplus money in its treasury (hereinafter "Investment Cash") and to outline policies for maximizing the efficiency of the City's Investment Cash management system. The ultimate goal is to enhance the City's economic status while protecting its pooled Investment Cash.

II. POLICY

It is the policy of the City of Elk Grove to invest public funds in a manner that will provide a sound investment return with maximum security while meeting the City's daily cash flow demands and conforming to all state and local statutes governing the investment of public funds. The City of Elk Grove's investment policy has three objectives: (1) protect principal, (2) provide for liquidity needs, and (3) obtain the most reasonable rate of return possible within the first two objectives. The City operates its investment activities under the "prudent investor" standard (see discussion below). This affords a broad spectrum of investment opportunities so long as the investment is deemed prudent and permissible under current state and local law.

III. SCOPE

This investment policy applies to all liquid financial assets of the City of Elk Grove and investment activities under the direct authority of the City, as outlined in the State Government Code, Sections 53600 et seq., with the following exceptions:

- Proceeds of debt issuance shall be invested following the City's general investment philosophy as outlined in this policy; however, such proceeds are to be invested according to the permitted investment provisions of their specific bond indentures.
- The City's OPEB funds shall be invested per its separate investment policy.

IV. PRUDENT INVESTOR STANDARD

The City Council and all persons authorized to make investment decisions on behalf of the City are trustees and, therefore, fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, prudence, and diligence under the circumstances then prevailing, including but not limited to the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The City recognizes that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional sales and measured gains or losses may be inevitable and must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The City Treasurer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported promptly, and appropriate action is taken to control adverse developments.

V. OBJECTIVES

The City's cash management system is designed to monitor and forecast expenditures and revenues accurately, thus enabling the City to invest Investment Cash to the fullest extent possible. The City strives to obtain the most reasonable return possible as long as investments meet the criteria for safety and liquidity.

Safety

The safety of principal is the foremost objective of the investment program. Accordingly, City investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. This goal shall be achieved by maintaining a prudent portion of the City's portfolio in liquid, short-term instruments which can readily be converted to cash if necessary.

Return on Investment

The City's investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. Accordingly, the City will attempt to obtain the most reasonable return possible when selecting an investment, provided the criteria for safety and liquidity are met.

VI. DELEGATION OF AUTHORITY

Authority to manage the City's investment program is derived from California Government Code, Sections 41006 and 53600 et seq.

The City Council is responsible for managing the City's funds, including administering this investment policy. Per California Government Code Section 53607, the Elk Grove City Council has authorized the City Treasurer to invest on behalf of the City, to manage the City's investment program consistent with this investment policy, and to maintain a system of internal controls to regulate the activities of subordinate officials. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

The City may engage the services of one or more external investment advisers registered under the Investment Advisers Act of 1940 to assist in managing the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities following this investment policy.

VII. PUBLIC TRUST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

VIII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program or impairs their ability to make impartial investment decisions. Officers and employees shall disclose to the City Treasurer any material interests in financial institutions with which they conduct business. They shall further disclose any significant personal financial/investment positions that could be related to the investment portfolio's performance. Officers and employees shall also refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City. Additionally, the City Treasurer (Finance Director) and other key finance personnel must annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

IX. QUALIFIED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the City Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The City Treasurer will determine which financial institutions are authorized to provide investment services to the City. The City shall transact business only with qualified banks, savings and loans, and broker/dealers. The City Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions approved for investment purposes that are selected through a process of due diligence as determined by the City Treasurer. Due inquiry shall assess whether such authorized broker/dealers, and the individuals covering the City are reputable and trustworthy, knowledgeable and experienced in Public Agency investing, and able to meet all their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

Per Section 53601.5, institutions eligible to transact investment business with the City include:

- Institutions licensed by the state as a broker-dealer.
- Institutions that are members of a federally regulated securities exchange.
- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City, except where the City utilizes an external investment adviser, in which case the City may rely on the adviser for selection. The City shall send a copy of the current investment policy to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation or, to the extent that the amount exceeds the insured maximum, will be collateralized per State law.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected competitively, and their bid or offering prices shall be recorded. If there is no other available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

X. AUTHORIZED INVESTMENTS

Investment of City funds is governed by the California Government Code Sections 53600 et. seq. Within the context of code limitations, the following investments and their respective additional limitations are authorized as listed below. If a discrepancy between this policy and the Code is found, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit criteria listed in this section apply when the security is purchased.

Any investment currently held when the policy is adopted that does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing high-quality, liquid, and marketable securities. In addition, the portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. United States Treasury Bills, Bonds, and Notes are those for which the full faith and credit of the United States are pledged to pay principal and interest. There is no dollar amount or percentage limitation of the portfolio which can be invested in this category, provided that the maximum maturity is five (5) years.

2. Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, such as but not exclusively issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Association (FHLMC) whose principal and interest are fully guaranteed by federal agencies or United States government-sponsored enterprises. There is no dollar amount or percentage limitation of the portfolio which can be invested in this category, provided that no more than 30% of the portfolio may be invested in any single Agency/GSE issuer. The maximum maturity does not exceed five (5) years. The maximum percent of agency callable securities in the portfolio will be 20%.

3. Local Agency Investment Fund (LAIF), a State of California-managed investment pool, may be used as permitted by California State Government Code, Title 2, Division 4, Part 2, Chapter 2, Article 11, commencing with section 16429.1. The City may invest up to the maximum amount permitted by LAIF. LAIF's investments in instruments prohibited by or not specified in the City's policy do not exclude the investment in LAIF itself from the City's list of authorized investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

4. Shares of Beneficial Interest issued by a Joint Powers Authority, including the Investment Trust of California, CalTRUST, which is a Joint Powers Authority managed investment pool permitted as an investment type by California State Government Code, Section 6500 and 6509.7. The City can invest in this category, provided the City is a member of the Joint Powers Authority and, therefore, a voting member. Each Liquidity, Short Term, or Medium Term Account managed by CalTRUST is an eligible investment. Investments in any one fund or in the aggregate of this investment type shall not exceed 30% of the City's investment portfolio at the time of purchase.

5. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as Bankers' Acceptances, provided that They are issued by institutions that have short-term debt obligations rated "A-1" or its equivalent or better by at least one nationally recognized statistical rating organization (NRSRO); or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. Bankers' acceptances purchased may not exceed 180 days to maturity or 40% of the City's Investment Cash at the time of purchase. Additionally, no more than 5% of the portfolio may be invested in any single issuer.

6. Commercial paper provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:

a) Securities issued by corporations:

- i. A corporation organized and operating in the United States with over \$500 million in assets.
- ii. The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
- iii. If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

b) Securities issued by other entities:

- i. The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.
- ii. The securities must have program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit, or a surety bond.
- iii. The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

Purchases of commercial paper may not exceed 25% of the City's Investment Cash. Under a provision sunseting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Agency's investment assets under management are greater than \$100,000,000, nor may those purchases exceed 270 days to maturity, nor represent more than 10% of the outstanding paper of the issuing corporation. In addition, investment in any one institution may not exceed more than 5% of the City's Investment Cash at the time of purchase.

7. Negotiable certificates of deposit issued by nationally or state-chartered banks, a savings association or federal association, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. However, any amount above the FDIC-insured limit must be issued by institutions that have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO. Purchases of negotiable certificates of deposit may not exceed 30% of the City’s Investment Cash at the time of purchase. Investment in any one institution may not exceed more than 5% of the City’s Investment Cash at the time of purchase. The maximum maturity may not exceed five (5) years.

8. Repurchase agreements that specify terms and conditions may be transacted with banks and broker/dealers. Repurchase agreements must be collateralized with securities authorized under California Government Code. Investment in repurchase agreements may not exceed 20% of the City’s Investment Cash at the date entered into. The maturity of the repurchase agreements shall not exceed 90 days. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase Agreement must be executed with the bank or dealer before investing in a Repurchase Agreement.

9. Time deposits, non-negotiable and collateralized per the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type. Investment in any one institution may not exceed more than 5% of the City’s Investment Cash at the time of purchase. The maximum maturity may not exceed five (5) years.

10. Medium Term Corporation Notes, provided that the issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. The maximum maturity may not exceed five (5) years. Securities eligible for investment shall be rated in a rating category of “A” or its equivalent or better by at least one NRSRO. Purchase of medium-term notes may not exceed 30% of the City’s Investment Cash at the time of purchase, and no more than 5% of the City’s Investment Cash, at the time of purchase may be invested in notes issued by any single issuer.

11. Shares of beneficial interest issued by diversified management companies that are mutual funds and money market mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

A. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

- i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with at least five years experience investing in the securities and obligations authorized by California Government Code, Section 53601, and with assets under management over \$500 million.

- No more than 10% of the total portfolio may be invested in shares of any mutual fund.

B. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

- i. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with at least five years experience managing money market mutual funds with assets under management over \$500 million.

- No more than 20% of the total portfolio may be invested in the shares of any one money market mutual fund. In addition, only funds holding U.S. Treasury or government agency obligations can be utilized.

- Investments in money market and mutual funds combined may not exceed 20% of the City's Investment Cash at the time of purchase.

12. Municipal Securities of any California Local Agency, including bonds, notes, warrants, or other indebtedness, provided the securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. The City may also purchase its issued debt but may not resell it before maturity without obtaining a tax-exempt redetermination opinion from legal counsel. Purchases of Municipal Securities shall not exceed 20% of the City's investment portfolio at the time of purchase. Investment in any one issuer shall not exceed 5% at the time of purchase. Maturity shall be limited to a maximum of 60 months from the date of purchase. Purchases of Municipal Securities of any local agency outside of California are not permitted.

13. Registered treasury notes or bonds of the State of California, or any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of the State of California, or any of the other 49 states, in addition to California, provided the securities are rated in a rating category of “A” or its equivalent or better by at least one NRSRO. Investment in any one issuer shall not exceed 5% at the time of purchase. Maturity shall be limited to a maximum of 60 months from the date of purchase. Purchases of Municipal Securities of any local agency outside of California are not permitted.

14. Supranationals, United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, or the International Finance Corporation, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by Moody’s, Standard & Poor’s, or Fitch Ratings. Investments shall not exceed ten percent of the City’s portfolio. No more than 30% of the City’s Investment Cash may be invested in these securities. No more than 10% of the City’s Investment Cash may be invested in any issuer.

15. Asset-Backed, Mortgage-Backed, Mortgage Passthrough Securities, and Collateralized Mortgage Obligations from issuers not defined in Sections 1 and 2 of the Authorized Investments Section of this policy, provided that:

- The securities are rated in a “ AA “ rating category or its equivalent or better by an NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

XI. Prohibited Investment Vehicles and Practices

- State law notwithstanding, any investments not explicitly described herein are prohibited, including, but not limited to, futures and options.
- Per Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage-derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. However, under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending, or any other form of borrowing or leverage is prohibited.

- The purchase of foreign currency-denominated securities is prohibited.

XII. INVESTMENT POOLS/MUTUAL FUNDS

Government-sponsored pools and money market mutual funds are excellent short-term cash management facilities. These pools/funds can provide safety, liquidity, and yield in a single investment instrument. In addition, these funds provided additional diversity in that each fund share is a composite of the funds of the entire portfolio of various maturity lengths, asset classes, and specific investments. The City Treasurer shall thoroughly investigate any pool or mutual fund before investing and continually after that. The City Treasurer shall develop a questionnaire that will answer the following general questions:

- A description of eligible investment securities and a written statement of investment policy and objectives.
- A description of interest calculations, how they are distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), how often the securities are priced, and the program is audited.
- A description of who may invest in the program, how often, and what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc., utilized by the pool/fund?
- A fee schedule and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds, and will it accept them?

XIII. COLLATERALIZATION

Collateralization shall be required on two types of investments:

1. Certificates of Deposit above the amount federally insured, and
2. Repurchase agreements.

The general collateralization level shall be 110% of the amount invested for Certificates of Deposit above the amount federally insured. If the security used for collateral is a mortgage-backed security, the collateralization level shall be 150% of the amount invested (Government Code sec. 53652).

For repurchase agreements, the collateralization level shall be at least 102% of the market value of the agreement.

The collateral shall be held by an independent third party with whom the entity has a current custodial agreement, and the right of collateral substitution is granted. To conform with the provisions of the Federal bankruptcy code, which provides for the liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible bankers' acceptances, medium-term notes, or securities that are the direct obligations of or are fully guaranteed as to principal and interest by the United States or any agency of the United States.

XIV. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery versus payment (DVP) basis and delivered to the City or the City's designated custodian upon receipt of payment by the City.

All securities that may be purchased, including collateral for repurchase agreements, shall be held by a third-party custodian designated by the Treasurer. These securities shall be held in the City's name and control, and safekeeping receipts shall evidence third-party custody. The third-party custodian shall send the City, every month, a statement of what is safe-kept, which shall be reconciled to the City's record monthly.

XV. DIVERSIFICATION INVESTMENT

The City's investment portfolio shall be diversified to avoid unreasonable and avoidable risks concerning specific investment types. The City shall also maintain a mix of securities within investment types to avoid concentrations within individual financial institutions, geographic areas, industry types, and maturity dates.

XVI. MAXIMUM MATURITIES

To the extent possible, the City of Elk Grove shall attempt to match its investments with anticipated cash flow requirements. However, unless matched to a specific cash flow, the City shall not directly invest in securities maturing more than five years from the date of trade settlement.

XVII. RISK MANAGEMENT AND DIVERSIFICATION

1. Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all its value due to an actual or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in this policy's "Authorized Investments" section are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The City may sell a security before its maturity and record a capital gain or loss to manage the portfolio's quality, liquidity, or yield in response to market conditions or City's risk preferences.
- If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
 1. Any actions taken related to the downgrade by the investment manager will promptly be communicated to the City Treasurer.

2. If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

2. Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. Therefore, the City will mitigate market risk by providing adequate liquidity for short-term cash needs and making longer-term investments only with funds not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns before maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years from date of trade settlement, except as otherwise stated in this policy.
- The portfolio's duration will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints, and risk tolerances.

XVIII. INTERNAL CONTROL

The City Treasurer establishes and maintains an internal control structure to protect the entity's assets from loss, theft, or misuse. The internal control structure shall be designed to reasonably ensure these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The City Treasurer shall also conduct an annual review of the investment program. This process may include testing the investment program by the City's external auditor to determine the extent of compliance with the Investment Policy.

All wire transfers initiated by the Finance Department will be confirmed to the appropriate financial institution. For each investment transaction, proper documentation obtained from confirmations and cash disbursement wire transfers is required. In addition, timely bank reconciliations are conducted to ensure the appropriate handling of all transactions.

XIX. PERFORMANCE STANDARDS

The City's investment portfolio shall be designed to attain a sound rate of return throughout budgetary and economic cycles, considering the City's investment risk constraints and the cash flow characteristics of the portfolio.

XX. PORTFOLIO MANAGEMENT ACTIVITY

The investment program shall seek to attain returns consistent with the intent of this policy, identified risk limitations, and prudent investment principles. The use of the following strategies shall achieve these objectives:

Active Portfolio Management

Through active fund and cash-flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the duration of the City's Investment Cash.

Portfolio Maturity Management

When structuring the maturity composition of the portfolio, the City shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions, longer maturities produce higher yields. However, securities with longer maturities also experience greater price fluctuations when interest rates change.

Security Swaps

The City may use security swap opportunities to improve the overall portfolio yield. A swap that enhances the portfolio yield may be selected even if the transactions result in an accounting loss. Swap documentation shall be included in the City's permanent investment file documents.

XXI. PERIODIC TREASURY REPORTS

The City Treasurer shall review and render monthly reports to the City Manager and City Council, including the par value and cost of the investment, the type of investment, the name of the issuer, the coupon rate of interest, the maturity date, and the current market value.

XXII. INTEREST EARNINGS

All interest earned and collected from investments authorized in this policy shall be allocated monthly to all pooled cash funds based on the cash balance in each fund as a percentage of the entire pooled portfolio.

XXIII. LIMITING MARKET VALUE EROSION

It is the general policy of the City to limit the potential effects of erosion in market values by adhering to the following guidelines:

- All immediate and anticipated liquidity requirements shall be addressed before purchasing investments.

- Maturity dates for investments shall coincide with significant cash flow requirements, where possible, to assist with cash requirements at maturity.
- All securities shall be purchased with the intent to hold all investments to maturity. However, economic or market conditions may change, making it in the City's best interest to sell or trade a security before maturity.

XXIV. STATEMENT OF INVESTMENT POLICY

The City's Investment Policy shall be adopted by a City Council resolution. This policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and yield and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the City Council for approval.

XXV. GLOSSARY OF TERMS

Bankers' Acceptance (BA) - A draft, bill, or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Broker - A broker brings buyers and sellers together for a commission.

Certificate of Deposit – A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable. CDs may be eligible for FDIC insurance.

Collateral - Securities, evidence of deposit, or pledges to secure loan repayment. It also refers to securities pledged by a bank to secure deposits of public funds.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Diversification - Dividing investment funds among securities offering independent returns and risk profiles.

Federal Home Loan Banks (FHLB) – Government-sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrifty institutions, credit unions, and insurance companies. The mission of the FHLBs is to liquefy the housing-related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC) – The FHLMC was created under the Federal Home Loan Mortgage Act, Title III of the Emergency Home Finance Act of 1970, as a stockholder-owned government-sponsored enterprise. Freddie Mac, as the corporation is called, is charged with providing stability and assistance to the secondary home mortgage market by buying first mortgages and participation interests and reselling these securities as guaranteed mortgage securities. Although the federal government does not explicitly guarantee agency obligations, the rating agencies believe that in the unlikely event of financial difficulties, the federal government will support the agency to the extent necessary to provide complete and timely payment on their securities.

Federal National Mortgage Association (FNMA) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely principal and interest payment.

Government National Mortgage Association (GNMA) – Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The full faith and credit of the U.S. Government protect the security holder. Ginnie Mae securities are backed by the FHA, VA, or FHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Liquidity - Refers to the ability to rapidly convert an investment into cash with minimal risk of losing some portion of principal and/or interest.

Master Repurchase Agreement - A written contract covering all future transactions between the parties to repurchase and/or reverse repurchase agreements that establish each party's rights. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity - The date upon which an investment's principal or stated value becomes due and payable.

Money Market - The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Municipal Securities of Local Agencies – Debt securities issued by states, cities, counties, and other governmental entities to fund day-to-day obligations and finance capital projects. The purchase of municipal securities is a loan to the bond issuer in exchange for regular interest payments and the return of the original investment.

Prudent Investor - An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state - the so-called legal list. In other states, the trustee may invest in a security if it would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Rate of Return - The yield obtainable on a security based on its purchase or current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO) - A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. In effect, the security "buyer" lends the "seller" money for the agreement period, and the agreement terms are structured to compensate him for this. Dealers use RPs extensively to finance their positions. Exception: When the Fed is said to be doing RPs, it is lending money, that is, increasing bank reserves.

Reverse Repurchase Agreement (Reverse REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed-upon price after a stated period.

Risk - Degree of uncertainty of return on an asset.

Treasury Bills – A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds - Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than ten years.

Treasury Notes - Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to ten years.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the security's current market price.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

(Place on letterhead, sign, and return to City)

Investment Firm Certification Form

As an authorized representative of the undersigned firm, I certify that our firm has received a copy of the City of Elk Grove's Investment Policy, has read it, and will work within the policy's guidelines when conducting business with and providing services to the City.

All employees of the firm dealing with the City of Elk Grove have been and will be routinely informed of the City's investment objectives, policies, risk constraints, and other pertinent factors.

Name of Authorized Representative

Title

Signature

Date

EXHIBIT B

CITY OF ELK GROVE - SALARY SCHEDULE

EFFECTIVE: 7/2/2023

ALL CLASSES

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
911 CALL TAKER	POA	CT	hourly	24.63	25.86	27.15	28.51	29.93	31.43	33.00
			bi-weekly	1,970	2,069	2,172	2,281	2,395	2,515	2,640
			monthly	4,269	4,482	4,706	4,942	5,189	5,448	5,721
			annual	51,225	53,787	56,476	59,300	62,265	65,378	68,647
ACCOUNTANT	NON	86	hourly	34.77	36.51	38.33	40.25	42.26	44.38	46.60
			bi-weekly	2,781	2,921	3,067	3,220	3,381	3,550	3,728
			monthly	6,026	6,328	6,644	6,977	7,326	7,692	8,077
			annual	72,315	75,933	79,732	83,720	87,909	92,306	96,923
ACCOUNTING MANAGER	NON	131	hourly	54.46	57.18	60.04	63.05	66.20	69.51	72.99
			bi-weekly	4,357	4,575	4,804	5,044	5,296	5,561	5,839
			monthly	9,440	9,912	10,408	10,928	11,475	12,049	12,651
			annual	113,276	118,942	124,891	131,137	137,696	144,583	151,814
ACCOUNTING TECHNICIAN	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
ADMINISTRATIVE ANALYST I	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
ADMINISTRATIVE ANALYST II	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
ADMINISTRATIVE ASSISTANT	NON	48	hourly	23.79	24.98	26.23	27.54	28.92	30.37	31.89
			bi-weekly	1,903	1,998	2,098	2,203	2,314	2,429	2,551
			monthly	4,124	4,330	4,547	4,774	5,013	5,264	5,527
			annual	49,482	51,959	54,559	57,288	60,155	63,165	66,325
ANIMAL CARE ASSISTANT	NON	20	hourly	17.98	18.88	19.83	20.82	21.86	22.95	24.10
			bi-weekly	1,438	1,510	1,586	1,665	1,749	1,836	1,928
			monthly	3,117	3,273	3,437	3,609	3,789	3,979	4,178
			annual	37,400	39,272	41,238	43,302	45,469	47,744	50,134

CITY OF ELK GROVE - SALARY SCHEDULE

EFFECTIVE: 7/2/2023

ALL CLASSES

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
ANIMAL CARE SPECIALIST	NON	34	hourly	20.68	21.72	22.81	23.95	25.14	26.40	27.72
			bi-weekly	1,655	1,737	1,824	1,916	2,012	2,112	2,218
			monthly	3,585	3,765	3,953	4,151	4,358	4,577	4,806
			annual	43,021	45,174	47,435	49,809	52,301	54,918	57,666
ANIMAL CARE SUPERVISOR-KENNEL	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
ANIMAL SERVICES OFFICER	POA	AGP	hourly	24.95	26.20	27.51	28.89	30.33	31.85	33.44
			bi-weekly	1,996	2,096	2,201	2,311	2,426	2,548	2,675
			monthly	4,325	4,541	4,768	5,007	5,257	5,520	5,796
			annual	51,900	54,495	57,220	60,080	63,085	66,239	69,551
ANIMAL SERVICES MANAGER	NON	125	hourly	51.30	53.86	56.56	59.39	62.36	65.48	68.75
			bi-weekly	4,104	4,309	4,525	4,751	4,989	5,238	5,500
			monthly	8,892	9,336	9,803	10,294	10,809	11,349	11,917
			annual	106,699	112,036	117,640	123,524	129,702	136,189	143,001
ANIMAL SERVICES SUPERVISOR	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
ANIMAL SERVICES VOLUNTEER/EVENTS COORDINATOR	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
ASSISTANT CHIEF OF POLICE	NON	179	hourly	87.86	92.26	96.87	101.71	106.80	112.14	117.75
			bi-weekly	7,029	7,380	7,750	8,137	8,544	8,971	9,420
			monthly	15,229	15,991	16,791	17,630	18,512	19,438	20,410
			annual	182,752	191,892	201,488	211,565	222,145	233,254	244,919
ASSISTANT CITY ATTORNEY	NON	173	hourly	82.76	86.90	91.25	95.81	100.60	105.64	110.92
			bi-weekly	6,621	6,952	7,300	7,665	8,048	8,451	8,873
			monthly	14,346	15,063	15,817	16,608	17,438	18,310	19,226
			annual	172,149	180,758	189,798	199,290	209,257	219,722	230,710

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
ASSISTANT CITY CLERK	NON	102	hourly	40.78	42.82	44.97	47.22	49.58	52.06	54.66
			bi-weekly	3,263	3,426	3,597	3,777	3,966	4,165	4,373
			monthly	7,069	7,423	7,794	8,184	8,593	9,023	9,475
			annual	84,831	89,074	93,530	98,209	103,121	108,279	113,695
ASSISTANT CITY MANAGER	NON	180	hourly	88.74	93.18	97.84	102.73	107.87	113.26	118.93
			bi-weekly	7,099	7,454	7,827	8,219	8,630	9,061	9,514
			monthly	15,382	16,151	16,959	17,807	18,697	19,633	20,614
			annual	184,582	193,813	203,506	213,683	224,369	235,590	247,371
ASSISTANT DEVELOPMENT SERVICES DIRECTOR	NON	133	hourly	55.56	58.34	61.25	64.32	67.53	70.91	74.46
			bi-weekly	4,445	4,667	4,900	5,145	5,403	5,673	5,957
			monthly	9,630	10,111	10,617	11,148	11,706	12,291	12,906
			annual	115,557	121,337	127,406	133,778	140,469	147,494	154,871
ASSISTANT ENGINEER	NON	92	hourly	36.91	38.76	40.70	42.73	44.87	47.12	49.47
			bi-weekly	2,953	3,101	3,256	3,419	3,590	3,769	3,958
			monthly	6,398	6,718	7,054	7,407	7,778	8,167	8,575
			annual	76,777	80,618	84,651	88,885	93,331	98,000	102,902
ASSISTANT PLANNER	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
ASSOCIATE CIVIL ENGINEER	NON	107	hourly	42.87	45.01	47.27	49.63	52.11	54.72	57.46
			bi-weekly	3,430	3,601	3,781	3,970	4,169	4,378	4,596
			monthly	7,431	7,802	8,193	8,603	9,033	9,485	9,959
			annual	89,169	93,629	98,313	103,230	108,394	113,815	119,508
ASSOCIATE PLANNER	NON	92	hourly	36.91	38.76	40.70	42.73	44.87	47.12	49.47
			bi-weekly	2,953	3,101	3,256	3,419	3,590	3,769	3,958
			monthly	6,398	6,718	7,054	7,407	7,778	8,167	8,575
			annual	76,777	80,618	84,651	88,885	93,331	98,000	102,902
BUDGET MANAGER	NON	128	hourly	52.85	55.50	58.27	61.19	64.25	67.46	70.84
			bi-weekly	4,228	4,440	4,662	4,895	5,140	5,397	5,667
			monthly	9,162	9,620	10,101	10,606	11,137	11,694	12,279
			annual	109,938	115,437	121,211	127,274	133,640	140,324	147,342

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
CAPTAIN	PMA	BFA	hourly	79.98	83.98	88.18	92.59	97.22	102.08	107.19
			bi-weekly	6,399	6,719	7,055	7,407	7,778	8,167	8,575
			monthly	13,864	14,557	15,285	16,049	16,852	17,694	18,579
			annual	166,366	174,684	183,418	192,589	202,219	212,329	222,945
CHIEF INFORMATION OFFICER	NON	159	hourly	71.99	75.59	79.37	83.34	87.51	91.88	96.48
			bi-weekly	5,759	6,047	6,350	6,667	7,001	7,351	7,718
			monthly	12,478	13,102	13,757	14,445	15,168	15,926	16,723
			annual	149,736	157,225	165,089	173,345	182,014	191,117	200,675
CHIEF OF POLICE	NON	184	hourly	92.35	96.97	101.82	106.91	112.25	117.87	123.76
			bi-weekly	7,388	7,757	8,145	8,553	8,980	9,429	9,901
			monthly	16,007	16,808	17,648	18,531	19,457	20,431	21,452
			annual	192,085	201,691	211,778	222,369	233,489	245,166	257,426
CITY ATTORNEY	CONTRACT		annual	296,595.56	Effective June 30, 2022					
CITY CLERK	CONTRACT		annual	155,881.01	Effective March 12, 2023					
CITY COUNCIL MEMBER/MAYOR	ELECTED		monthly	800.00						
CITY MANAGER	CONTRACT		annual	295,191.33	Effective January 1, 2023					
CODE ENFORCEMENT OFFICER I	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
CODE ENFORCEMENT OFFICER II	NON	73	hourly	30.54	32.06	33.67	35.35	37.12	38.98	40.93
			bi-weekly	2,443	2,565	2,693	2,828	2,970	3,118	3,274
			monthly	5,293	5,558	5,836	6,128	6,434	6,756	7,094
			annual	63,516	66,694	70,030	73,534	77,213	81,075	85,131
CODE ENFORCEMENT MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039
COMMUNICATIONS BUREAU MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
COMMUNITY CENTER ATTENDANT	NON	14	hourly	16.93	17.78	18.67	19.61	20.59	21.62	22.70
			bi-weekly	1,355	1,422	1,494	1,568	1,647	1,729	1,816
			monthly	2,935	3,082	3,236	3,398	3,568	3,747	3,934
			annual	35,221	36,984	38,835	40,779	42,820	44,963	47,213
COMMUNITY CENTER COORDINATOR	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
COMMUNITY ENGAGEMENT AND GOVERNMENT RELATIONS MANAGER	NON	123	hourly	50.29	52.80	55.44	58.21	61.13	64.18	67.39
			bi-weekly	4,023	4,224	4,435	4,657	4,890	5,135	5,391
			monthly	8,716	9,152	9,610	10,090	10,595	11,125	11,682
			annual	104,593	109,824	115,318	121,085	127,142	133,501	140,178
COMMUNITY EVENTS AND PROJECTS COORDINATOR	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
COMMUNITY EVENT CENTER MANAGER	NON	126	hourly	51.81	54.40	57.12	59.98	62.98	66.13	69.44
			bi-weekly	4,145	4,352	4,570	4,799	5,039	5,291	5,555
			monthly	8,981	9,430	9,902	10,397	10,917	11,463	12,036
			annual	107,768	113,159	118,819	124,762	131,002	137,554	144,433
COMMUNITY EVENTS PROGRAM MANAGER	NON	106	hourly	42.44	44.57	46.80	49.14	51.60	54.18	56.89
			bi-weekly	3,396	3,565	3,744	3,931	4,128	4,334	4,551
			monthly	7,357	7,725	8,111	8,517	8,943	9,391	9,860
			annual	88,284	92,700	97,337	102,206	107,318	112,686	118,322
COMMUNITY EVENTS SPECIALIST	NON	57	hourly	26.03	27.33	28.70	30.13	31.64	33.22	34.89
			bi-weekly	2,082	2,186	2,296	2,411	2,531	2,658	2,791
			monthly	4,511	4,737	4,974	5,223	5,484	5,759	6,047
			annual	54,137	56,846	59,691	62,677	65,813	69,106	72,563
COMMUNITY SERVICES OFFICER	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
COUNCIL ASSISTANT			hourly	15.50						

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
CRIME ANALYST	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
CUSTOMER SERVICE SPECIALIST	NON	42	hourly	22.41	23.53	24.70	25.94	27.24	28.60	30.03
			bi-weekly	1,792	1,882	1,976	2,075	2,179	2,288	2,403
			monthly	3,884	4,078	4,282	4,496	4,721	4,957	5,206
			annual	46,603	48,935	51,384	53,955	56,655	59,489	62,466
CUSTOMER SERVICE SUPERVISOR	NON	64	hourly	27.91	29.31	30.78	32.31	33.93	35.63	37.41
			bi-weekly	2,233	2,345	2,462	2,585	2,715	2,850	2,993
			monthly	4,838	5,080	5,334	5,601	5,882	6,176	6,485
			annual	58,057	60,962	64,013	67,215	70,578	74,109	77,816
DEPUTY CITY ATTORNEY	NON	131	hourly	54.46	57.18	60.04	63.05	66.20	69.51	72.99
			bi-weekly	4,357	4,575	4,804	5,044	5,296	5,561	5,839
			monthly	9,440	9,912	10,408	10,928	11,475	12,049	12,651
			annual	113,276	118,942	124,891	131,137	137,696	144,583	151,814
DEPUTY CITY CLERK/RECORDS MANAGER	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
DEPUTY CITY MANAGER	NON	170	hourly	80.33	84.34	88.56	92.99	97.64	102.53	107.65
			bi-weekly	6,426	6,748	7,085	7,439	7,811	8,202	8,612
			monthly	13,923	14,620	15,351	16,119	16,925	17,771	18,660
			annual	167,080	175,436	184,210	193,422	203,096	213,252	223,917
DEPUTY PUBLIC WORKS DIRECTOR/CITY ENGINEER	NON	151	hourly	66.47	69.80	73.29	76.95	80.80	84.84	89.09
			bi-weekly	5,318	5,584	5,863	6,156	6,464	6,787	7,127
			monthly	11,522	12,098	12,703	13,339	14,006	14,706	15,442
			annual	138,263	145,179	152,440	160,064	168,069	176,474	185,300
DEPUTY PUBLIC WORKS DIRECTOR-OPERATIONS	NON	146	hourly	63.24	66.40	69.73	73.21	76.88	80.72	84.76
			bi-weekly	5,059	5,312	5,578	5,857	6,150	6,458	6,781
			monthly	10,962	11,510	12,086	12,690	13,325	13,991	14,691
			annual	131,543	138,122	145,030	152,284	159,900	167,897	176,294

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
DEVELOPMENT SERVICES DIRECTOR	NON	161	hourly	73.44	77.11	80.97	85.02	89.27	93.73	98.42
			bi-weekly	5,875	6,169	6,477	6,801	7,141	7,499	7,874
			monthly	12,729	13,366	14,034	14,736	15,473	16,247	17,060
			annual	152,750	160,390	168,411	176,834	185,678	194,964	204,714
DIRECTOR OF STRATEGIC PLANNING AND INNOVATION	NON	159	hourly	71.99	75.59	79.37	83.34	87.51	91.88	96.48
			bi-weekly	5,759	6,047	6,350	6,667	7,001	7,351	7,718
			monthly	12,478	13,102	13,757	14,445	15,168	15,926	16,723
			annual	149,736	157,225	165,089	173,345	182,014	191,117	200,675
DISPATCH SUPERVISOR	POA	PD	hourly	39.84	41.84	43.93	46.12	48.43	50.85	53.40
			bi-weekly	3,188	3,347	3,514	3,690	3,874	4,068	4,272
			monthly	6,906	7,252	7,614	7,995	8,395	8,814	9,255
			annual	82,876	87,020	91,371	95,939	100,736	105,773	111,062
DISPATCHER	POA	PE	hourly	30.79	32.33	33.94	35.64	37.42	39.29	41.26
			bi-weekly	2,463	2,586	2,716	2,851	2,994	3,144	3,301
			monthly	5,337	5,603	5,884	6,178	6,487	6,811	7,152
			annual	64,039	67,241	70,603	74,133	77,839	81,731	85,818
DRAINAGE AND COLLECTION SUPERVISOR	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
ECONOMIC DEVELOPMENT DIRECTOR	NON	159	hourly	71.99	75.59	79.37	83.34	87.51	91.88	96.48
			bi-weekly	5,759	6,047	6,350	6,667	7,001	7,351	7,718
			monthly	12,478	13,102	13,757	14,445	15,168	15,926	16,723
			annual	149,736	157,225	165,089	173,345	182,014	191,117	200,675
ECONOMIC DEVELOPMENT PROGRAM MANAGER	NON	124	hourly	50.79	53.33	56.00	58.80	61.74	64.83	68.07
			bi-weekly	4,063	4,266	4,480	4,704	4,939	5,186	5,445
			monthly	8,803	9,244	9,706	10,192	10,701	11,237	11,799
			annual	105,641	110,925	116,473	122,299	128,416	134,838	141,582
ECONOMIC DEVELOPMENT SPECIALIST	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
ENGINEERING TECHNICIAN I	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
ENGINEERING TECHNICIAN II	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
ENVIRONMENTAL SPECIALIST	NON	92	hourly	36.91	38.76	40.70	42.73	44.87	47.12	49.47
			bi-weekly	2,953	3,101	3,256	3,419	3,590	3,769	3,958
			monthly	6,398	6,718	7,054	7,407	7,778	8,167	8,575
			annual	76,777	80,618	84,651	88,885	93,331	98,000	102,902
EXECUTIVE ADMINISTRATIVE ASSISTANT	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
FACILITIES AND FLEET MANAGER	NON	122	hourly	49.79	52.28	54.89	57.64	60.52	63.55	66.73
			bi-weekly	3,983	4,182	4,391	4,611	4,842	5,084	5,338
			monthly	8,630	9,061	9,515	9,990	10,490	11,015	11,566
			annual	103,555	108,735	114,174	119,884	125,881	132,177	138,788
FACILITIES TECHNICIAN	NON	57	hourly	26.03	27.33	28.70	30.13	31.64	33.22	34.89
			bi-weekly	2,082	2,186	2,296	2,411	2,531	2,658	2,791
			monthly	4,511	4,737	4,974	5,223	5,484	5,759	6,047
			annual	54,137	56,846	59,691	62,677	65,813	69,106	72,563
FINANCE AND BUDGET ANALYST I	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
FINANCE AND BUDGET ANALYST II	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
FINANCE DIRECTOR	NON	165	hourly	76.42	80.25	84.26	88.47	92.90	97.54	102.42
			bi-weekly	6,114	6,420	6,741	7,078	7,432	7,803	8,194
			monthly	13,247	13,909	14,605	15,335	16,102	16,908	17,753
			annual	158,961	166,911	175,259	184,024	193,227	202,890	213,037
FINANCE MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039
FORENSIC INVESTIGATOR	POA	PG	hourly	31.77	33.36	35.02	36.78	38.61	40.54	42.57
			bi-weekly	2,541	2,668	2,802	2,942	3,089	3,244	3,406
			monthly	5,506	5,782	6,071	6,374	6,693	7,028	7,379
			annual	66,076	69,380	72,849	76,492	80,316	84,332	88,549
GIS ANALYST	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
GIS SYSTEM ADMINISTRATOR	NON	107	hourly	42.87	45.01	47.27	49.63	52.11	54.72	57.46
			bi-weekly	3,430	3,601	3,781	3,970	4,169	4,378	4,596
			monthly	7,431	7,802	8,193	8,603	9,033	9,485	9,959
			annual	89,169	93,629	98,313	103,230	108,394	113,815	119,508
GRAPHIC DESIGNER	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
GRAPHICS AND MULTIMEDIA PROGRAM MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039
HOMELESS SERVICES NAVIGATOR	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
HOUSING AND PUBLIC SERVICES MANAGER	NON	119	hourly	48.32	50.74	53.27	55.94	58.74	61.67	64.76
			bi-weekly	3,866	4,059	4,262	4,475	4,699	4,934	5,181
			monthly	8,375	8,794	9,234	9,696	10,181	10,690	11,225
			annual	100,503	105,531	110,809	116,352	122,171	128,282	134,698
HUMAN RESOURCES ANALYST	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
HUMAN RESOURCES DIRECTOR	NON	160	hourly	72.71	76.35	80.16	84.17	88.38	92.80	97.44
			bi-weekly	5,817	6,108	6,413	6,734	7,071	7,424	7,796
			monthly	12,603	13,233	13,895	14,590	15,320	16,086	16,890
			annual	151,236	158,800	166,742	175,081	183,837	193,031	202,684
HUMAN RESOURCES SPECIALIST	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
IT ADMINISTRATOR	NON	136	hourly	57.24	60.11	63.11	66.27	69.58	73.06	76.72
			bi-weekly	4,579	4,808	5,049	5,302	5,567	5,845	6,137
			monthly	9,922	10,418	10,939	11,487	12,061	12,664	13,298
			annual	119,065	125,020	131,273	137,839	144,733	151,971	159,572
IT ANALYST	NON	92	hourly	36.91	38.76	40.70	42.73	44.87	47.12	49.47
			bi-weekly	2,953	3,101	3,256	3,419	3,590	3,769	3,958
			monthly	6,398	6,718	7,054	7,407	7,778	8,167	8,575
			annual	76,777	80,618	84,651	88,885	93,331	98,000	102,902
IT TECHNICIAN	NON	70	hourly	29.64	31.12	32.68	34.31	36.03	37.83	39.72
			bi-weekly	2,371	2,489	2,614	2,745	2,882	3,026	3,178
			monthly	5,137	5,394	5,664	5,947	6,245	6,557	6,885
			annual	61,642	64,726	67,964	71,365	74,935	78,684	82,620
LANDSCAPE MAINTENANCE SUPERVISOR	NON	92	hourly	36.91	38.76	40.70	42.73	44.87	47.12	49.47
			bi-weekly	2,953	3,101	3,256	3,419	3,590	3,769	3,958
			monthly	6,398	6,718	7,054	7,407	7,778	8,167	8,575
			annual	76,777	80,618	84,651	88,885	93,331	98,000	102,902

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
LIEUTENANT	PMA	BAA	hourly	68.99	72.44	76.07	79.87	83.86	88.06	92.46
			bi-weekly	5,520	5,796	6,085	6,390	6,709	7,045	7,397
			monthly	11,959	12,557	13,185	13,844	14,536	15,263	16,026
			annual	143,509	150,685	158,219	166,130	174,436	183,158	192,315
LEGAL EXECUTIVE ADMINISTRATIVE ASSISTANT	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
MAINTENANCE SPECIALIST	NON	61	hourly	27.09	28.44	29.87	31.36	32.93	34.58	36.31
			bi-weekly	2,167	2,276	2,389	2,509	2,634	2,766	2,905
			monthly	4,695	4,930	5,177	5,436	5,708	5,994	6,293
			annual	56,344	59,163	62,123	65,232	68,495	71,922	75,520
MAINTENANCE TECHNICIAN I	NON	48	hourly	23.79	24.98	26.23	27.54	28.92	30.37	31.89
			bi-weekly	1,903	1,998	2,098	2,203	2,314	2,429	2,551
			monthly	4,124	4,330	4,547	4,774	5,013	5,264	5,527
			annual	49,482	51,959	54,559	57,288	60,155	63,165	66,325
MAINTENANCE TECHNICIAN II	NON	57	hourly	26.03	27.33	28.70	30.13	31.64	33.22	34.89
			bi-weekly	2,082	2,186	2,296	2,411	2,531	2,658	2,791
			monthly	4,511	4,737	4,974	5,223	5,484	5,759	6,047
			annual	54,137	56,846	59,691	62,677	65,813	69,106	72,563
MANAGEMENT ANALYST	NON	107	hourly	42.87	45.01	47.27	49.63	52.11	54.72	57.46
			bi-weekly	3,430	3,601	3,781	3,970	4,169	4,378	4,596
			monthly	7,431	7,802	8,193	8,603	9,033	9,485	9,959
			annual	89,169	93,629	98,313	103,230	108,394	113,815	119,508
MENTAL HEALTH CLINICIAN	NON	106	hourly	42.44	44.57	46.80	49.14	51.60	54.18	56.89
			bi-weekly	3,396	3,565	3,744	3,931	4,128	4,334	4,551
			monthly	7,357	7,725	8,111	8,517	8,943	9,391	9,860
			annual	88,284	92,700	97,337	102,206	107,318	112,686	118,322
MULTIMEDIA SPECIALIST	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895

CITY OF ELK GROVE - SALARY SCHEDULE

EFFECTIVE: 7/2/2023

ALL CLASSES

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
NETWORK ENGINEER	NON	110	hourly	44.17	46.38	48.70	51.14	53.70	56.38	59.20
			bi-weekly	3,534	3,711	3,896	4,091	4,296	4,510	4,736
			monthly	7,656	8,039	8,442	8,864	9,307	9,773	10,261
			annual	91,877	96,473	101,298	106,365	111,686	117,272	123,137
OPERATIONS SUPERVISOR	NON	119	hourly	48.32	50.74	53.27	55.94	58.74	61.67	64.76
			bi-weekly	3,866	4,059	4,262	4,475	4,699	4,934	5,181
			monthly	8,375	8,794	9,234	9,696	10,181	10,690	11,225
			annual	100,503	105,531	110,809	116,352	122,171	128,282	134,698
PARALEGAL	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
PAYROLL TECHNICIAN	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
PERMIT PROCESSING COORDINATOR	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
PLANNING MANAGER	NON	128	hourly	52.85	55.50	58.27	61.19	64.25	67.46	70.84
			bi-weekly	4,228	4,440	4,662	4,895	5,140	5,397	5,667
			monthly	9,162	9,620	10,101	10,606	11,137	11,694	12,279
			annual	109,938	115,437	121,211	127,274	133,640	140,324	147,342
POLICE ADMINISTRATIVE MANAGER	NON	122	hourly	49.79	52.28	54.89	57.64	60.52	63.55	66.73
			bi-weekly	3,983	4,182	4,391	4,611	4,842	5,084	5,338
			monthly	8,630	9,061	9,515	9,990	10,490	11,015	11,566
			annual	103,555	108,735	114,174	119,884	125,881	132,177	138,788
POLICE EQUIPMENT/SUPPLY TECH	NON	48	hourly	23.79	24.98	26.23	27.54	28.92	30.37	31.89
			bi-weekly	1,903	1,998	2,098	2,203	2,314	2,429	2,551
			monthly	4,124	4,330	4,547	4,774	5,013	5,264	5,527
			annual	49,482	51,959	54,559	57,288	60,155	63,165	66,325

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
POLICE OFFICER	POA	PI	hourly	37.37	39.24	41.20	43.26	45.42	47.69	50.08
			bi-weekly	2,990	3,139	3,296	3,461	3,634	3,816	4,006
			monthly	6,477	6,801	7,141	7,498	7,873	8,267	8,680
			annual	77,729	81,616	85,696	89,981	94,480	99,204	104,164
POLICE RECRUIT	NON	56	hourly	25.77	27.06	28.41				
			bi-weekly	2,062	2,165	2,273				
			monthly	4,467	4,690	4,925				
			annual	53,599	56,281	59,097				
POLICE RECORDS MANAGER	NON	102	hourly	40.78	42.82	44.97	47.22	49.58	52.06	54.66
			bi-weekly	3,263	3,426	3,597	3,777	3,966	4,165	4,373
			monthly	7,069	7,423	7,794	8,184	8,593	9,023	9,475
			annual	84,831	89,074	93,530	98,209	103,121	108,279	113,695
POLICE RECORDS SUPERVISOR	NON	70	hourly	29.64	31.12	32.68	34.31	36.03	37.83	39.72
			bi-weekly	2,371	2,489	2,614	2,745	2,882	3,026	3,178
			monthly	5,137	5,394	5,664	5,947	6,245	6,557	6,885
			annual	61,642	64,726	67,964	71,365	74,935	78,684	82,620
POLICE RECORDS TECHNICIAN I	NON	41	hourly	22.18	23.29	24.46	25.68	26.97	28.32	29.73
			bi-weekly	1,775	1,863	1,957	2,055	2,157	2,265	2,379
			monthly	3,845	4,037	4,239	4,452	4,674	4,908	5,154
			annual	46,139	48,448	50,873	53,418	56,091	58,898	61,845
POLICE RECORDS TECHNICIAN II	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
POLICE SERGEANT	POA	PJ	hourly	47.76	50.14	52.65	55.28	58.05	60.95	64.00
			bi-weekly	3,821	4,012	4,212	4,423	4,644	4,876	5,120
			monthly	8,278	8,692	9,126	9,583	10,062	10,565	11,093
			annual	99,335	104,301	109,516	114,992	120,742	126,779	133,118
POLICE SERVICES ANALYST	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895
POLICE SERVICES TECHNICIAN		PI	hourly	41.20						

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
POLICE VOLUNTEER COORDINATOR	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
PROPERTY AND EVIDENCE MANAGER	NON	102	hourly	40.78	42.82	44.97	47.22	49.58	52.06	54.66
			bi-weekly	3,263	3,426	3,597	3,777	3,966	4,165	4,373
			monthly	7,069	7,423	7,794	8,184	8,593	9,023	9,475
			annual	84,831	89,074	93,530	98,209	103,121	108,279	113,695
PROPERTY AND EVIDENCE TECHNICIAN I	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
PROPERTY AND EVIDENCE TECHNICIAN II	NON	70	hourly	29.64	31.12	32.68	34.31	36.03	37.83	39.72
			bi-weekly	2,371	2,489	2,614	2,745	2,882	3,026	3,178
			monthly	5,137	5,394	5,664	5,947	6,245	6,557	6,885
			annual	61,642	64,726	67,964	71,365	74,935	78,684	82,620
PUBLIC AFFAIRS MANAGER	NON	126	hourly	51.81	54.40	57.12	59.98	62.98	66.13	69.44
			bi-weekly	4,145	4,352	4,570	4,799	5,039	5,291	5,555
			monthly	8,981	9,430	9,902	10,397	10,917	11,463	12,036
			annual	107,768	113,159	118,819	124,762	131,002	137,554	144,433
PUBLIC WORKS DIRECTOR/CITY ENGINEER	NON	169	hourly	79.53	83.51	87.68	92.07	96.67	101.51	106.59
			bi-weekly	6,362	6,681	7,015	7,366	7,734	8,121	8,527
			monthly	13,785	14,475	15,199	15,959	16,757	17,595	18,475
			annual	165,424	173,697	182,384	191,505	201,082	211,138	221,697
PUBLIC WORKS DIVISION MANAGER-ENGINEERING	NON	134	hourly	56.11	58.92	61.87	64.96	68.21	71.62	75.20
			bi-weekly	4,489	4,714	4,949	5,197	5,457	5,730	6,016
			monthly	9,726	10,213	10,724	11,260	11,823	12,414	13,035
			annual	116,714	122,552	128,682	135,118	141,876	148,972	156,422
PUBLIC WORKS INSPECTOR I	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
PUBLIC WORKS INSPECTOR II	NON	83	hourly	33.74	35.43	37.20	39.06	41.02	43.07	45.22
			bi-weekly	2,699	2,834	2,976	3,125	3,281	3,446	3,618
			monthly	5,849	6,141	6,448	6,771	7,110	7,465	7,839
			annual	70,183	73,694	77,380	81,251	85,316	89,584	94,065
PURCHASING SPECIALIST	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
PURCHASING AND CONTRACTS MANAGER	NON	126	hourly	51.81	54.40	57.12	59.98	62.98	66.13	69.44
			bi-weekly	4,145	4,352	4,570	4,799	5,039	5,291	5,555
			monthly	8,981	9,430	9,902	10,397	10,917	11,463	12,036
			annual	107,768	113,159	118,819	124,762	131,002	137,554	144,433
REAL ESTATE MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039
REAL-TIME INFORMATION CENTER ANALYST	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
REAL-TIME INFORMATION CENTER MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039
REAL-TIME INFORMATION CENTER OPERATOR	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
REAL-TIME INFORMATION CENTER SPECIALIST	NON	76	hourly	31.46	33.04	34.69	36.43	38.25	40.16	42.17
			bi-weekly	2,517	2,643	2,775	2,914	3,060	3,213	3,374
			monthly	5,454	5,727	6,013	6,314	6,630	6,962	7,310
			annual	65,447	68,721	72,159	75,769	79,560	83,540	87,719

CITY OF ELK GROVE - SALARY SCHEDULE

EFFECTIVE: 7/2/2023

ALL CLASSES

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
RECEPTIONIST	NON	24	hourly	18.71	19.65	20.64	21.67	22.75	23.89	25.09
			bi-weekly	1,497	1,572	1,651	1,733	1,820	1,911	2,007
			monthly	3,244	3,406	3,577	3,756	3,944	4,141	4,348
			annual	38,927	40,875	42,921	45,069	47,325	49,693	52,180
RECYCLING AND WASTE MANAGER	NON	129	hourly	53.38	56.05	58.86	61.80	64.89	68.14	71.55
			bi-weekly	4,271	4,484	4,709	4,944	5,191	5,451	5,724
			monthly	9,253	9,716	10,202	10,712	11,248	11,811	12,402
			annual	111,040	116,594	122,426	128,549	134,978	141,729	148,818
RECYCLING COORDINATOR I	NON	82	hourly	33.41	35.08	36.83	38.68	40.61	42.64	44.77
			bi-weekly	2,673	2,806	2,947	3,094	3,249	3,411	3,582
			monthly	5,791	6,080	6,384	6,704	7,039	7,391	7,761
			annual	69,486	72,962	76,612	80,445	84,469	88,694	93,131
RECYCLING COORDINATOR II	NON	92	hourly	36.91	38.76	40.70	42.73	44.87	47.12	49.47
			bi-weekly	2,953	3,101	3,256	3,419	3,590	3,769	3,958
			monthly	6,398	6,718	7,054	7,407	7,778	8,167	8,575
			annual	76,777	80,618	84,651	88,885	93,331	98,000	102,902
REGISTERED VETERINARY TECHNICIAN	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
RISK ANALYST	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
RISK MANAGER	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039
SECURITY OFFICER	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
SECURITY OFFICER (Y-RATED)	NON	56	hourly	37.46						
			bi-weekly	2,997						
			monthly	6,493						
			annual	77,913						
SR. ACCOUNTANT	NON	96	hourly	38.41	40.34	42.35	44.47	46.70	49.03	51.49
			bi-weekly	3,073	3,227	3,388	3,558	3,736	3,923	4,119
			monthly	6,659	6,992	7,341	7,709	8,094	8,499	8,924
			annual	79,903	83,900	88,097	92,504	97,131	101,989	107,091
SR. ACCOUNTING TECHNICIAN	NON	66	hourly	28.48	29.90	31.40	32.97	34.62	36.35	38.17
			bi-weekly	2,278	2,392	2,512	2,637	2,769	2,908	3,053
			monthly	4,936	5,183	5,442	5,714	6,000	6,300	6,616
			annual	59,229	62,192	65,304	68,571	72,001	75,604	79,386
SR. ADMINISTRATIVE ASSISTANT	NON	63	hourly	27.64	29.02	30.47	31.99	33.59	35.28	37.04
			bi-weekly	2,211	2,321	2,438	2,560	2,688	2,822	2,963
			monthly	4,790	5,030	5,281	5,546	5,823	6,114	6,420
			annual	57,481	60,357	63,377	66,547	69,877	73,373	77,043
SR. ANIMAL CARE SPECIALIST	NON	48	hourly	23.79	24.98	26.23	27.54	28.92	30.37	31.89
			bi-weekly	1,903	1,998	2,098	2,203	2,314	2,429	2,551
			monthly	4,124	4,330	4,547	4,774	5,013	5,264	5,527
			annual	49,482	51,959	54,559	57,288	60,155	63,165	66,325
SR. ANIMAL SERVICES OFFICER	POA	PC	hourly	26.56	27.89	29.29	30.75	32.29	33.90	35.60
			bi-weekly	2,125	2,231	2,343	2,460	2,583	2,712	2,848
			monthly	4,604	4,834	5,076	5,330	5,596	5,876	6,170
			annual	55,251	58,013	60,914	63,959	67,157	70,515	74,041
SR. CIVIL ENGINEER	NON	122	hourly	49.79	52.28	54.89	57.64	60.52	63.55	66.73
			bi-weekly	3,983	4,182	4,391	4,611	4,842	5,084	5,338
			monthly	8,630	9,061	9,515	9,990	10,490	11,015	11,566
			annual	103,555	108,735	114,174	119,884	125,881	132,177	138,788
SR. CODE ENFORCEMENT OFFICER	NON	83	hourly	33.74	35.43	37.20	39.06	41.02	43.07	45.22
			bi-weekly	2,699	2,834	2,976	3,125	3,281	3,446	3,618
			monthly	5,849	6,141	6,448	6,771	7,110	7,465	7,839
			annual	70,183	73,694	77,380	81,251	85,316	89,584	94,065

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
SR. CUSTOMER SERVICE SPECIALIST	NON	56	hourly	25.77	27.06	28.41	29.83	31.33	32.89	34.54
			bi-weekly	2,062	2,165	2,273	2,387	2,506	2,632	2,763
			monthly	4,467	4,690	4,925	5,171	5,430	5,702	5,987
			annual	53,599	56,281	59,097	62,054	65,159	68,419	71,842
SR. DEPUTY CITY ATTORNEY	NON	145	hourly	62.61	65.75	69.03	72.49	76.11	79.92	83.92
			bi-weekly	5,009	5,260	5,523	5,799	6,089	6,394	6,713
			monthly	10,853	11,396	11,966	12,565	13,193	13,853	14,546
			annual	130,238	136,752	143,592	150,774	158,314	166,232	174,546
SR. ENGINEERING TECHNICIAN	NON	82	hourly	33.41	35.08	36.83	38.68	40.61	42.64	44.77
			bi-weekly	2,673	2,806	2,947	3,094	3,249	3,411	3,582
			monthly	5,791	6,080	6,384	6,704	7,039	7,391	7,761
			annual	69,486	72,962	76,612	80,445	84,469	88,694	93,131
SR. FACILITIES TECHNICIAN	NON	71	hourly	29.93	31.43	33.00	34.65	36.39	38.21	40.12
			bi-weekly	2,395	2,514	2,640	2,772	2,911	3,057	3,210
			monthly	5,188	5,448	5,721	6,007	6,307	6,623	6,954
			annual	62,260	65,375	68,646	72,080	75,687	79,473	83,449
SR. FINANCE AND BUDGET ANALYST	NON	119	hourly	48.32	50.74	53.27	55.94	58.74	61.67	64.76
			bi-weekly	3,866	4,059	4,262	4,475	4,699	4,934	5,181
			monthly	8,375	8,794	9,234	9,696	10,181	10,690	11,225
			annual	100,503	105,531	110,809	116,352	122,171	128,282	134,698
SR. GIS ANALYST	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
SR. HUMAN RESOURCES ANALYST	NON	107	hourly	42.87	45.01	47.27	49.63	52.11	54.72	57.46
			bi-weekly	3,430	3,601	3,781	3,970	4,169	4,378	4,596
			monthly	7,431	7,802	8,193	8,603	9,033	9,485	9,959
			annual	89,169	93,629	98,313	103,230	108,394	113,815	119,508
SR. HUMAN RESOURCES SPECIALIST	NON	87	hourly	35.12	36.87	38.72	40.65	42.69	44.82	47.06
			bi-weekly	2,809	2,950	3,097	3,252	3,415	3,586	3,765
			monthly	6,087	6,391	6,711	7,047	7,399	7,769	8,158
			annual	73,041	76,695	80,531	84,560	88,790	93,232	97,895

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
SR. IT ANALYST	NON	106	hourly	42.44	44.57	46.80	49.14	51.60	54.18	56.89
			bi-weekly	3,396	3,565	3,744	3,931	4,128	4,334	4,551
			monthly	7,357	7,725	8,111	8,517	8,943	9,391	9,860
			annual	88,284	92,700	97,337	102,206	107,318	112,686	118,322
SR. MAINTENANCE TECHNICIAN	NON	71	hourly	29.93	31.43	33.00	34.65	36.39	38.21	40.12
			bi-weekly	2,395	2,514	2,640	2,772	2,911	3,057	3,210
			monthly	5,188	5,448	5,721	6,007	6,307	6,623	6,954
			annual	62,260	65,375	68,646	72,080	75,687	79,473	83,449
SR. PAYROLL TECHNICIAN	NON	77	hourly	31.78	33.37	35.04	36.79	38.63	40.57	42.60
			bi-weekly	2,542	2,670	2,803	2,943	3,091	3,245	3,408
			monthly	5,509	5,784	6,074	6,377	6,697	7,032	7,383
			annual	66,103	69,410	72,883	76,529	80,358	84,378	88,598
SR. PLANNER	NON	107	hourly	42.87	45.01	47.27	49.63	52.11	54.72	57.46
			bi-weekly	3,430	3,601	3,781	3,970	4,169	4,378	4,596
			monthly	7,431	7,802	8,193	8,603	9,033	9,485	9,959
			annual	89,169	93,629	98,313	103,230	108,394	113,815	119,508
SR. TRANSPORTATION PLANNER	NON	107	hourly	42.87	45.01	47.27	49.63	52.11	54.72	57.46
			bi-weekly	3,430	3,601	3,781	3,970	4,169	4,378	4,596
			monthly	7,431	7,802	8,193	8,603	9,033	9,485	9,959
			annual	89,169	93,629	98,313	103,230	108,394	113,815	119,508
STRATEGIC PLANNING AND INNOVATION PROGRAM MANAGER	NON	119	hourly	48.32	50.74	53.27	55.94	58.74	61.67	64.76
			bi-weekly	3,866	4,059	4,262	4,475	4,699	4,934	5,181
			monthly	8,375	8,794	9,234	9,696	10,181	10,690	11,225
			annual	100,503	105,531	110,809	116,352	122,171	128,282	134,698
STREET MAINTENANCE SUPERVISOR	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
STREET SWEEPER OPERATOR	NON	61	hourly	27.09	28.44	29.87	31.36	32.93	34.58	36.31
			bi-weekly	2,167	2,276	2,389	2,509	2,634	2,766	2,905
			monthly	4,695	4,930	5,177	5,436	5,708	5,994	6,293
			annual	56,344	59,163	62,123	65,232	68,495	71,922	75,520

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
SUPERVISING FORENSIC INVESTIGATOR	POA	PR	hourly	41.81	43.90	46.09	48.40	50.82	53.36	56.03
			bi-weekly	3,345	3,512	3,688	3,872	4,066	4,269	4,482
			monthly	7,247	7,609	7,990	8,389	8,809	9,249	9,712
			annual	86,963	91,311	95,877	100,670	105,704	110,989	116,538
STUDENT INTERN	N/A	7	hourly	15.79	16.58	17.41	18.28	19.19	20.15	21.16
TRAFFIC CONTROL AND STREET LIGHTING SUPERVISOR	NON	97	hourly	38.80	40.74	42.78	44.92	47.17	49.53	52.00
			bi-weekly	3,104	3,259	3,422	3,594	3,773	3,962	4,160
			monthly	6,725	7,062	7,415	7,786	8,175	8,584	9,014
			annual	80,704	84,741	88,980	93,431	98,105	103,012	108,165
TRAFFIC ENGINEER	NON	125	hourly	51.30	53.86	56.56	59.39	62.36	65.48	68.75
			bi-weekly	4,104	4,309	4,525	4,751	4,989	5,238	5,500
			monthly	8,892	9,336	9,803	10,294	10,809	11,349	11,917
			annual	106,699	112,036	117,640	123,524	129,702	136,189	143,001
TRAFFIC MANAGEMENT CENTER SUPERVISOR	NON	119	hourly	48.32	50.74	53.27	55.94	58.74	61.67	64.76
			bi-weekly	3,866	4,059	4,262	4,475	4,699	4,934	5,181
			monthly	8,375	8,794	9,234	9,696	10,181	10,690	11,225
			annual	100,503	105,531	110,809	116,352	122,171	128,282	134,698
TRAFFIC SIGNAL TECHNICIAN I	NON	71	hourly	29.93	31.43	33.00	34.65	36.39	38.21	40.12
			bi-weekly	2,395	2,514	2,640	2,772	2,911	3,057	3,210
			monthly	5,188	5,448	5,721	6,007	6,307	6,623	6,954
			annual	62,260	65,375	68,646	72,080	75,687	79,473	83,449
TRAFFIC SIGNAL TECHNICIAN II	NON	81	hourly	33.08	34.73	36.47	38.29	40.21	42.22	44.33
			bi-weekly	2,646	2,778	2,917	3,063	3,217	3,377	3,546
			monthly	5,733	6,020	6,321	6,637	6,969	7,318	7,684
			annual	68,796	72,237	75,851	79,646	83,630	87,814	92,207
UTILITIES LOCATOR	NON	70	hourly	29.64	31.12	32.68	34.31	36.03	37.83	39.72
			bi-weekly	2,371	2,489	2,614	2,745	2,882	3,026	3,178
			monthly	5,137	5,394	5,664	5,947	6,245	6,557	6,885
			annual	61,642	64,726	67,964	71,365	74,935	78,684	82,620
VETERINARIAN	NON	117	hourly	47.36	49.73	52.22	54.83	57.58	60.46	63.48
			bi-weekly	3,789	3,979	4,178	4,387	4,606	4,837	5,078
			monthly	8,210	8,621	9,052	9,505	9,980	10,479	11,003
			annual	98,519	103,447	108,621	114,055	119,759	125,749	132,039

CITY OF ELK GROVE - SALARY SCHEDULE
ALL CLASSES

EFFECTIVE: 7/2/2023

CLASSIFICATION	UNIT	GRADE		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
VETERINARY ASSISTANT	NON	34	hourly	20.68	21.72	22.81	23.95	25.14	26.40	27.72
			bi-weekly	1,655	1,737	1,824	1,916	2,012	2,112	2,218
			monthly	3,585	3,765	3,953	4,151	4,358	4,577	4,806
			annual	43,021	45,174	47,435	49,809	52,301	54,918	57,666

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June 14, 2023

Mayor and Council Members:

I am pleased to submit for your review and consideration the Fiscal Year (FY) 2023-24 Proposed Budget (Budget). The City’s proposed General Fund (discretionary) Budget is \$88.9 million for FY 2023-24, which is about \$2.9 million (3.4%) more than the FY 2022-23 Adopted Budget of nearly \$86 million. The \$2.9 million increase is not associated with Measure E funding, which is budgeted distinctly and separately from the General Fund and is discussed further in the Budget. Rather, the \$2.9 million increase is reflecting the continuing strength of the local and regional economies. The increases are primarily due to:

- The addition of 4 new positions and the full-year cost of positions added during the current fiscal year.
- General salary and benefit increases, along with anticipated step increases for current employees.
- Operational cost increases.
- One-time equipment purchases.

The City has and will continue constructing several noteworthy capital projects reflected in the prior and current Capital Improvement Program (CIP) budgets. As a result, the total Proposed Budget (including CIP) for FY 2023-24, net of transfers and internal service costs, is \$349 million, which is \$55 million (19%) more than the FY 2022-23 Budget of \$294 million. The primary reasons for the increase are the carrying over of unspent budget on Capital Projects in FY 2022-23 into FY 2023-24 and the addition of Measure E spending. Key themes of the proposed FY 2023-24 Budget are noted below:

- Maintains and enhances the level of service to the residents of Elk Grove, with continued focused efforts on public safety, affordable housing/homelessness, traffic, and economic development.
- Establishes a sustainable, structurally balanced fiscal plan throughout the five-year forecast period.
- Provides funding for and programming of City Council Priority Projects.
- Continues to increase reserves based on the adopted General Fund Reserve Policy based on fiscal best practices.

Financial Overview

General Fund Reserve Analysis. On April 24, 2019, Council adopted the General Fund Economic Uncertainty Reserve target to be between 20% and 25% of adjusted appropriations. This reserve assists the City with navigating future economic uncertainty and cash flow needs while providing an immediate resource for emergencies and disaster recovery. Council also adopted an additional reserve called the Opportunity Reserve. This reserve adds flexibility as it will be available to provide funding for projects, acquisitions, or unforeseen events or needs-the proposed Opportunity Reserve level targets between 0% and 5% of adjusted appropriations. Allocation of reserves beyond the combined Reserve for Economic Uncertainty and Opportunity Reserve level of 30% of adjusted appropriations are allocated to two purposes: 50% to Capital Reserves and 50% to Economic Development, provided that reserve balances in the next budget year are adequately meeting target ranges. Given the financial position of the General Fund presented in the five-year forecast, reserves are expected to meet targets, and allocations to the Capital Reserve and Economic Development are projected to be made in each year of the forecast.

General Fund Five-Year Projection. The General Fund forecast assumes minor to modest economic growth and does not account for a formal recession. The economy is sending mixed signals as employment continues to be low despite stubbornly high inflation and slowing GDP growth. Inflation has remained well over the Federal Reserve's 2% target (although it is slowing), which has resulted in it increasing interest rates by five percentage points over the last 14 months. In part due to rapidly rising interest rates, several recent regional bank failures have caused some analysts to question the wisdom of continued increases. At its May meeting, the Fed seemed to signal it may pause additional rate increases, and futures markets anticipate no further increases in 2023 (and possible rate decreases). Consumers continue to buoy the economy through spending due to the competitive job market and associated compensation increases. Housing prices have decreased slightly, coming off of historic highs in 2022, but continue to stay relatively strong due to tight inventories as current homeowners are reluctant to sell a home with a low-interest mortgage. New home sales are slowing in the region due to the current interest rate environment, but activity in Elk Grove remains strong. Staff has analyzed recession-sensitive revenue sources and potential impacts on those sources during a recession. Therefore, staff is readily prepared to amend future budgets and forecasts to respond to an economic downturn should one arise during the fiscal year.

Consumer spending and property values typically decline in recessions, which leads to lower City revenues. Sales Tax, Utility Users Tax, and Transient Occupancy Tax could be impacted significantly due to a lack of consumer spending. The City relies heavily on Sales Tax revenues (its largest individual revenue source), of which approximately 30% typically comes from auto sales. If economic activity declines, auto sales and other tax-generating activities will likely decrease. In addition, recessions often result in a declining real estate market which could significantly impact Property Transfer Tax revenue due to fewer real estate transactions. Declining home values and a slowdown in new home construction would negatively impact Property Taxes, the City's second-largest revenue source. If all the above were to hold during a recession, the General Fund forecast would look very different, having to draw down reserves rather than increase them.

Some key assumptions regarding the General Fund Five-Year Forecast are listed below:

- Given current trends and economic indicators, the City's Sales Tax consultants project steady revenue growth, starting in FY 2024-25, averaging 3% through FY 2027-28.
- Property Taxes are projected to grow by 4 to 5% starting in FY 2024-25. Increases in property values, new construction, and supplemental property taxes from real estate sales can drive growth in property tax.
- Property Transfer Taxes due on real estate sales is \$1.10 for every \$1,000 of the purchase price of any property sold within City limits. Revenues are evenly split between the City and the County of Sacramento. While FY 2023-24 growth is assumed to be flat and FY 2024-25 at only 2%, robust growth of 7% is assumed from FY 2025-26 through FY 2027-28, anticipating a strong recovery in real estate sales from the current market slowdown.
- With changing consumer patterns related to mobile data usage, Utility User Tax revenue expectations are assumed to be flat over the five-year forecast.
- Transient Occupancy Taxes (TOT) have recovered from the COVID-19 pandemic, and the Marriott Townplace Suites opened in FY 2021-22. With the addition of the new hotel and continued recovery from the pandemic, TOT is expected to grow 2% annually over the five years.
- Cable franchise fee revenues are projected to decline slightly according to industry trends due to more residents opting for internet-based streaming entertainment rather than a traditional cable subscription. As a result, revenues are projected to decline by 2% over the five-year forecast.
- In line with recent trends, continued growth in Police Services Community Facilities District (CFD) levy revenues is expected over the five-year period as additional properties annex into the CFD.

- Four new positions are budgeted for in FY 2023-24, with three of them being in the Animal Services division of the Police Department and one being in the City Attorney's Office. For FY 2024-25 and beyond, the addition of 6 new positions, including sworn and non-sworn officers, is assumed annually.
- Estimated impacts from negotiated compensation agreements are assumed in the forecast.
- The forecast assumes the practice of transferring out Recycling & Waste Franchise Fee revenue as contributions to the Capital Reserve Fund for all years of the forecast.
- Additional payments towards CalPERS unfunded liabilities are included over the five-year period. Any year where CalPERS annual investment earnings miss actuarial assumptions causes PERS payments to increase. Continued accelerated contributions to these unfunded liabilities will mitigate some of the potential increases.
- The FY 2022-23 Budget included the payoff of the sales tax sharing agreement with The Ridge EG East, LP with one- time funds. Early payment of this agreement will save the City millions of dollars and has freed up resources in the General Fund in the outer years of the forecast.

General Fund Five-Year Forecast

\$ in 000s	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	27,280	25,617	27,021	28,378	29,629
Total Revenues	97,272	99,854	103,106	106,571	110,380
Total Expenditures	88,881	93,456	98,035	102,266	106,354
Contributions to/from Fund Balance	8,390	6,399	5,071	4,305	4,026
Initial Ending Fund Balance	35,670	32,015	32,092	32,683	33,655
Transfer to Capital Reserve	(5,027)	(2,497)	(1,857)	(1,527)	(1,361)
Transfer to Economic Development	(5,027)	(2,497)	(1,857)	(1,527)	(1,361)
Adjusted Appropriations	85,389	90,071	94,593	98,763	103,111
Opportunity Reserve - 5%	4,269	4,504	4,730	4,938	5,156
Reserve for Economic Uncertainty - 25%	21,347	22,518	23,648	24,691	25,778
Total Ending Fund Balance	25,617	27,021	28,378	29,629	30,933
Fund Balance as a % of Adjusted Appropriations	30%	30%	30%	30%	30%

Measure E

On November 8, 2022, Elk Grove voters approved Measure E, a new one-cent transactions and use (sales) tax. This approval was the culmination of a yearlong public outreach process undertaken by the City of Elk Grove and the Cosumnes Community Services District. Public outreach included over 75 community meetings, four meetings with a Community Advisory Group, various community outreach mailers, and two public surveys to understand community needs and priorities. Those priorities were:

Community Identified Needs and Priorities
Public Safety
<p><i>Reducing Crime</i> Provide additional public safety resources in order to keep our neighborhoods safe and reduce crime. Increase neighborhood police patrols, ensure the Police Department is attracting, retaining, and adequately equipping public safety professionals and pursue new, innovative approaches to reducing crime.</p>
<p><i>Addressing Homelessness</i> Provide resources to address mental health, substance abuse, and job training needs while ensuring our local businesses, residential neighborhoods, and public areas are safe and secure for everyone.</p>
<p><i>Improve 911, police, fire, and emergency disaster and emergency medical response</i> Improve 911 emergency response times, at both the Police and Fire Departments, to ensure that calls for service meet national response time standards.</p>
<p><i>Enhancing programs to combat youth crime and gang prevention</i> Fund property and violent crime investigation and prevention, and address crimes related to youth and gangs including supporting after school recreational and enrichment programs to keep youth actively engaged and supported for a bright future.</p>
Roads and Parks Safety
<p><i>Maintaining Streets</i> Maintain pothole repair and enhance major roads to improve traffic flow and reduce congestion for the safety of all drivers, bikers, and pedestrians, including safe routes for school kids walking or biking.</p>
<p><i>Maintaining Parks</i> Maintain and repair public bathrooms, landscaping, sports fields, deteriorating playgrounds and equipment, including security lighting to keep play spaces clean and safe for children and families.</p>
Quality of Life
<p><i>Clean and Safe Public Areas</i> Keep public areas safe and clean for community members as well as visitors. Implement programs that directly impact visual blight as well as ensuring a safe community for all.</p>
<p><i>Economic Development</i> Attract and retain local businesses and jobs to ensure a robust local economy.</p>

The City Council also formulated the Measure E Citizens' Oversight Committee to ensure community transparency and accountability. Please see the Measure E section for additional details on how Measure E proceeds are proposed to be used and how those uses will benefit Elk Grove.

Key Organizational Issues

Compensation. The Proposed FY 2023-24 Budget accounts for anticipated compensation increases for represented and unrepresented employees.

Long-Term Pension Obligations. The City has prioritized making additional payments toward the City's CalPERS (California Public Employees Retirement System) unfunded accrued liability (UAL). Since FY 2015-16, the City has issued nearly \$13.5 million in payments to CalPERS beyond what is required. Continued annual prepayments are included in the FY 2023-24 Budget and the General Fund Five-Year Forecast. These accelerated payments help mitigate the future cost impact of CalPERS rate increases and decrease the City's funded ratio, which currently sits at approximately 100%. The ratio is expected to decrease to its prior level of around 85% when the actuarial reports reflecting CalPERS' FY 22 investment loss (-6.1%) are released this summer. In addition, CalPERS' earnings were running well below its annual 6.8% target as of December 31, 2022. If CalPERS does not meet its earnings target, that shortfall creates a liability that the City needs to pay. The City's funding level remains within the top 10% of all CalPERS agencies.

Sky River Casino Payments. Beginning in FY 2023-24, Sky River will begin remitting annual ("recurring") payments to the City. Per the agreement with the Wilton Rancheria Tribe, the City will receive \$4 million for police and code enforcement costs, roadway maintenance needs, and payments in lieu of City taxes. These amounts grow over time per the agreement. The Tribe has also made three of five set ("non-recurring") annual payments to date.

Position Management. There are 42 new positions budgeted in FY 2023-24, 19 of which are funded from Measure E and 14 of which are being converted from contract to City staff positions. All of the positions are listed below:

Department	Position	Funding Source
City Attorney	Senior Deputy City Attorney	General Fund
Police	Animal Care Assistant (2)	General Fund
Police	Animal Care Specialist	General Fund
Police	Community Services Officer	Measure E
Police	Lieutenant (Administrative)	Wilton Rancheria
Police	Mental Health Clinician (2)	Measure E
Police	Police Dispatcher (3)	Measure E
Police	Lieutenant (Special Operations)	Measure E
Police	Police Officer (9)	Measure E
Police	Sergeant	Measure E
Police	Real-Time Information Center Operator	Grants
Police	Real-Time Information Center Analyst	Grants
Development Services	Code Enforcement Officer I/II	Wilton Rancheria
Development Services	Homeless Services Navigator	Measure E
Development Services	Homeless Services Navigator*	Housing and Homelessness
Public Works	Administrative Analyst I/II	Various
Public Works	Assistant Engineer (3)*	Public Works Administration
Public Works	Associate Civil Engineer (4)*	Public Works Administration
Public Works	Maintenance Specialist*	Various
Public Works	Maintenance Technician I/II*	Various
Public Works	Public Works Inspector I/II	Measure E
Public Works	Real Estate Manager*	Public Works Administration
Public Works	Senior Civil Engineer*	Public Works Administration
Public Works	Senior Maintenance Technician*	Various
Public Works	Traffic Signal Technician I/II*	Various
TOTAL FTE	42	

Note: An “*” to the right of a position title indicates that the position (14 total converted positions) is being converted from Contract staff to City staff. Information regarding the 13 positions being converted specifically in the Public Works department was provided to Council and the public in Agenda Item 9.3 at the May 10th City Council meeting.

Note: Explanations and justifications for the 19 positions whose funding source is Measure E are provided in the Measure E section of the Budget.

The 9 new positions that are not being converted from contract staff nor are funded by Measure E are discussed below.

- **Senior Deputy City Attorney:** With the growth of the City organization over time, the increase in the number of City employees, increased workload, and impacts on the City Attorney's Office, additional legal staff is needed. A Senior Deputy City Attorney position is best suited to respond to the increased demands on the office.
- **Animal Care Assistant (2) and Animal Care Specialist:** Current staffing in Animal Services who are responsible for direct animal care currently consists of three (3) Animal Care Assistants, three (3) Animal Care Specialists, and one (1) Senior Animal Care Specialist. The demands upon those caring for animals in the shelter and foster care have increased dramatically since the Animal Shelter opened in 2019. Staffing levels were originally approved based on an annual animal population of approximately 1,600. However, since 2021 staff has experienced an animal population of approximately 2,400. In addition, a department staffing and efficiency study currently being conducted by Citygate recommends increasing the staffing level for direct animal care to 10 full-time staff. Based upon the above factors, Citygate's recommendation, and to meet the City's duty of care to the animal population in the Animal Shelter, the Budget adds two Animal Care Assistants and one Animal Care Specialist in the upcoming Fiscal Year. It is anticipated that additional positions will be recommended in future year budgets.
- **Lieutenant – Administrative:** Since creating a standalone Police Department in 2006, the department has maintained seven Lieutenant positions. As the department and community have grown over the past seventeen years, so have the projects, ancillary duties, and responsibilities placed upon the watch commander Lieutenants. Currently, the Operations Division is staffed with four (4) Lieutenants. With the creation of an Administrative Lieutenant assigned to the Operations Division, the City can remove most, if not all, of the ancillary duties assigned to the Watch Commander Lieutenants and allow them to fulfill their primary role. The responsibilities of the Administrative Lieutenant would include the Mobile Crisis Support Team, Unmanned Aerial Systems Program, Canine Program, Mobile Field Force Program, Joint Terrorism Coordinator, Honor Guard Program, Emergency Services Task Force Manager, and School Resource Officer Program. The Administrative Lieutenant would report to the Operations Division Captain and manage the programs listed above, along with additional duties as needed.
- **Real-Time Information Center Analyst and Operator:** The Real-Time Information Center (RTIC) opened in July 2019. It is currently staffed with an RTIC Manager, two RTIC Specialists, a Crime Analyst, and a Community Services Officer. An RTIC Analyst position is needed to assist the RTIC Manager with emergency management preparations and operations during a disaster. This position would be primarily responsible for the daily operations, training, and scheduling within the RTIC. The RTIC Analyst would assist with technology platform review, current law review, and project management/implementation. Adding a Real-Time Information Center Operator to the current RTIC team will allow for seven-day per week of operational coverage.
- **Code Enforcement Officer I/II:** The Code Enforcement Division is taking a more proactive approach to address Elk Grove Municipal Code violations. This approach will require additional personnel to help manage increased caseloads and assignments, and consistently deliver a high level of customer service. This position would also be used during increased demand periods such as Spring Cleaning, weed abatement season, illegal fireworks enforcement, and organics enforcement. This position would also allow the division flexibility when staffing for weekends, evenings, and holiday needs. This increase in staffing is necessary to continue to provide the level of service that Code Enforcement provides and to keep pace with the growing City.

- Homeless Services Navigator:** The Budget adds 2 Homeless Services Navigator positions (one funded by Measure E and one funded by the Housing and Homelessness Fund). Currently, the City has one full-time Homeless Services Navigator through a contract with Sacramento Self Help Housing (SSHH). However, SSHH is currently experiencing severe financial distress and its future is unclear. Additionally, the existing Navigator has a caseload that is too large; and more Navigators are needed to effectively serve the existing homeless population and better integrate with local nonprofits (e.g., Elk Grove Food Bank, Elk Grove HART) and Police homeless outreach officers.
- Administrative Analyst I/II (Public Works):** This position is necessary for the Operations Divisions to oversee and manage City capital maintenance project routing, advertisement, and tabulation. This position will serve as a backup for the CIP contract employee performing similar tasks but cannot support O&M. In the past three years, O&M has taken full responsibility for capital maintenance projects, including resurfacing and drainage projects, and has increased the resurfacing program's annual budget from less than \$3 million to nearly \$10 million annually. The increased funding and responsibility necessitate the need for this position to support O&M project development and management. Additionally, this position will be responsible for the Department of Industrial Relations labor compliance for all O&M projects. The position will perform required audits to ensure contract and labor compliance. The position will also create staff reports, financial reports, MOU's and other documents for the consideration of the City Council.
- Reclassifications.** Below are the position reclassifications included in the FY 2023-24 Proposed Budget:
- Community Events Program Manager:* With the addition of the Community Events Specialist position in FY 2022-23, the Community Events and Project Coordinator position was tasked with training, supervising, evaluating, and coordinating the work of that full-time staff member. Hence, a desk audit was conducted to ensure that the job description reflected the additional supervisory duties. The desk audit revealed that the scope of duties, breadth of responsibility, and requisite knowledge and abilities assigned to this position are more consistent with the new classification of Community Events Program Manager. Therefore, it is recommended that the position be reclassified to Community Events Program Manager.
- Senior Deputy City Attorney:* This will be a reclassification for the current Deputy City Attorney classification incumbent. The scope of duties and the breadth of responsibility for the current job incumbent have evolved over time and are more consistent with the classification of Senior Deputy City Attorney. Therefore, it is recommended that the current Deputy City Attorney be reclassified to a Senior Deputy City Attorney.
- Records Technician I:* The Records Bureau comprises 13 full-time civilian personnel: One Records Manager, two Records Supervisors, nine Records Technicians, and one Security Officer, as well as several VIPS (Volunteers in Police Service). The Security Officer is assigned multiple duties besides providing physical security at the Service Center. The Security Officer assists in records management and data input, specifically the "live scan" fingerprinting function, sex offender registration, and directing/answering citizens' questions at the Service Center counter. The 2016 Elk Grove Department Strategic Staffing Plan recommended that the Security Officer position be reclassified to a Records Technician I.

- *Real-Time Information Center Analyst:* The Budget proposes the reclassification of the current Crime Analyst position to a Real-Time Information Center Analyst. The reclassification will more closely align the responsibilities and duties of the position with the environment of working within the RTIC. The RTIC Analyst will still retain all representative duties of the Crime Analyst and will add the following:
 - Responds to requests regarding critical incidents and post-incident investigations.
 - Assists and communicates with Police Officers and responders using two-way police radios.
 - Creates written, verbal, and video communications, both internal and external.
 - Develops relevant data-driven reports.
 - Makes use of real-time crime center software to coordinate crime-solving efforts.
 - Perform emergency management duties as needed.

- *Senior Accounting Technician:* The scope of the Accounting Technician position within the Development Services Department has evolved over time. A desk audit was recently conducted by a consultant pursuant to the request of the department. Based on the consultant’s assessment, the duties and responsibilities of this position are more difficult and involve more complex technical accounting than the Accounting Technician level and is in line with the Sr. Accounting Technician level. Therefore, staff is recommending the reclassification of the current Development Services Accounting Technician to the Sr. Accounting Technician position.

FY 2023-24 Service Plan

In April 2023, the City Council adopted the following vision statement used to guide the development of this budget document:

Elk Grove prioritizes a superior quality of life for all that builds upon the community’s diversity and heritage through safe, welcoming, and connected neighborhoods, with a variety of residential, educational, and employment choices and amenities that create a sense of place.

The City Council also adopted four strategic goals that form the basis of the FY 2023-24 service plan. The following section highlights key elements of the service plan for each strategic goal:

A vibrant community and sustainable economy with diverse businesses and amenities.

Facilitate business attraction, retention, and expansion efforts that maximize employment, capital investment, and tax revenues, reduce barriers, and that promote equity and inclusion in entrepreneurship.

Facilitate development of enhanced retail, dining, arts and entertainment, hospitality projects and experiences that serve residents and visitors.

Ensure public and private development that is high-quality and attractive, contributing to a sense of place.

Plan and facilitate development of neighborhoods of varying densities and characteristics - from rural to suburban to urban.

Support efforts that further a resilient business community.

- **Elk Grove Zoo:** In March 2022, the City Council received a report on the results of a Feasibility Study and Economic and Revenue Impact Analysis for a potential zoo in Elk Grove. The study and analysis concluded that the development of a Zoo in Elk Grove was potentially viable, subject to the financial assumptions and site program considered in the reports. Based on these results, the Council directed staff to continue working with the Sacramento Zoological Society (SZS) on the project, and the City and SZS subsequently entered into a Memorandum of Understanding (MOU) in May 2022 that outlines the activities, responsibilities, and outcomes of the next phase of work for the Zoo project. As provided in the MOU, SZS will be financially responsible for the preparation of the master plan, including the conceptual and schematic design work. The City will continue to be responsible for the sizing and design of the off-site infrastructure, including water, sewer, roadways, and other utilities. The proposed budget does not contain any cost assumptions regarding the construction and/or operation of the Zoo.

- **Project Elevate:** The City owns a 20-acre property at the southeast corner of Elk Grove Boulevard and Big Horn Boulevard, just north of District 56 (the Community Center/Aquatics Center) and is pursuing its development as a mixed-use project that includes retail, dining, entertainment, office, and residential uses, as well as a hotel. The City hired Turton Commercial Real Estate to assist with marketing the property and solicited proposals, which the City is currently reviewing. Once a developer (or developers) is selected, they would be responsible for constructing the project. This would involve getting City approvals for the design of individual buildings, marketing the project and securing tenants, and maintaining in subsequent years. In the best economy, Project Elevate could take five years to develop at once, and possibly up to 15 years to develop in a phased manner, and City financial participation would almost certainly be required to make the project financially feasible.

- **Economic Development Activities:** The City's Office of Economic Development will continue to administer the City's numerous economic development programs, including the following key activities:
 - Continue efforts to develop Project Elevate.
 - Continue efforts to ensure completion of the Railroad Street revitalization project.
 - Launch new programs including:
 - A revamped Façade Improvement Program
 - A Brewery Restaurant and Winery (BREW) Incentive Program
 - A Mainstreet Startup Program
 - Formation of a Property Business Improvement District in the historic downtown
 - A Conference and Tourism Grant Program
 - Development of a "Tech Hub" facility.

- In addition to the above, the Economic Development budget includes funding for a business brand and marketing revamp and additional funding to enhance and expand the Pitch Elk Grove signature event. The Economic Incentive funds will continue to include funding for the City's Small Business Permit Assistance and Startup Elk Grove programs. The Measure E budget, totaling nearly \$1.3 million, includes several of the new programs and activities. Please see the Measure E Budget section for more details.

A safe and resilient community.

Invest in community safety.

Enhance quality of life by ensuring the highest level of public safety through world class service and community collaboration.

Engage in fair and impartial interactions with our diverse community and build trust through transparency, inclusiveness, and equity.

Plan and prepare for effective emergency operations by employing emerging technologies to better serve our community.

Promote a sustainable community and protect the natural environment.

Promote solutions to homelessness that align services and shelter with the needs of the population.

• Neighborhood Policing Efforts:

- Grant applications were submitted to the California Office of Traffic Safety for Selective Traffic Enforcement Program and Traffic Records Improvement Project grants. If awarded, these grants totaling \$400,760, will fund overtime hours to conduct DUI/Driver's License checkpoints along with speed, distracted driver, and pedestrian safety operations in Elk Grove. Additionally, these grants will fund electronic data software and records reporting, streamlining traffic records management and reporting. These funds will help continue the Traffic Unit's recent partnership with regional law enforcement agencies who created the Sacramento Regional Sideshow Taskforce, comprised of traffic officers and the District Attorney's office dedicated to the prevention, enforcement, and prosecution of sideshow activity responsible for unlawful injuries, deaths, and property destruction.
- The City has historically funded additional staffing to combat vehicle theft and related crimes using funds collected from the California Department of Motor Vehicles and allocated through the Sacramento Area Vehicle Theft Reduction Unit. Through focused crime analysis and the department's enhanced Real Time Information Center, Investigations Bureau personnel now develop strategic enforcement operations to areas and times where vehicle theft and related crimes, such as catalytic converter thefts, most often and most likely to occur, resulting in an increase in arrests and enhanced community safety.
- Measure E funding will be used to create a Drone as a First Responder Program. Please refer to the Measure E section for more detail.
- A Youth Services Team will be created that will target issues and build connections with youth in Elk Grove. The Youth Services Team will organize, coordinate, collaborate, and assist with developing and running various youth programs to develop positive relationships with youth in our community. Some of the programs will include sports, education, and prevention.
- The City will provide funding for a Community Prosecutor Program. A Sacramento County Community Prosecutor will be provided full time to serve the jurisdictional boundaries of Elk Grove, with a focus on targeting public safety problems that have negative impacts on quality of life.

- **Real-Time Information Center:**

- The Crossroads traffic collision software reporting system will significantly decrease the time needed to take and process traffic collision reports. It will also allow for a more efficient way to obtain traffic statistics and report them to the public.
- Measure E funding will be used to purchase Cobwebs software and 10 additional Flock Safety License Plate Readers (LPR). Flock LPRs assist with crimes in progress, the investigation of crimes, and locating missing persons and vehicles. Please refer to the Measure E section for more detail.

- **Law Enforcement Technology Enhancements:**

- The development of the statute of limitation feature within the Mark43 Records Management System evidence module would allow for more efficient case review and less storage of property that can be returned to rightful owners, as well as contraband that can be properly and lawfully disposed of in a timely manner.
- The Police Department partners with the Sacramento County District Attorney's (DA) Office to utilize Axon's evidence sharing software to transfer digital evidence from the Department to the DA. This has saved a significant amount of time and resources.

A high performing organization

Maintain and strengthen the fiscal health and stability of the City.

Embrace new ideas and innovation in the delivery of services.

Provider responsive and courteous customer service.

Promote Diversity, Equity, and Inclusion within the City organization and larger community. Further regional cooperation and collaboration, keeping the City's best interest in mind.

Engage the community often and in a transparent and inclusive way.

Maximize investments in innovation to improve the lives of residents and streamline operations.

- **Diversity, Equity and Inclusion:** The City's Diversity, Equity and Inclusion (DEI) efforts include the DEI city staff team whose primary task is to prioritize and implement employee-focused inclusion efforts. These efforts also include a 10-member resident Diversity and Inclusion Commission that works with the community on issues related to diversity and inclusion.
- **Regional Partnerships:** Staff continues to work with our regional partners, including Sacramento County, the Cosumnes Community Services District (CCSD), the Sacramento Area Council of Governments, the Local Agency Formation Commission, and Greater Sacramento Economic Council, among others, to deliver the best value and services to our residents and promote the economic success of our businesses. The Community Partnerships and Government Relations Manager in the City Manager's office continue to assist the City in continuing and strengthening these efforts.

- **Digital Records Initiative:** In the City Clerks Office, staff plans to pursue the following initiatives:
 - Implementation of a new public record act request tracking and processing software.
 - Integrate the Record Management System to post information through the City website.
 - Explore a new digital agenda management software to compile and post agenda materials.
 - Explore new contract management software to replace legacy systems.
- **City-Wide Performance Indicator Program:** Staff has engaged in an agency-wide effort to enhance the City's performance indicator program (formerly known as the Performance Measure Program). The first phase of this initiative occurred in FY 2022-23, where each Department engaged in a strategic planning exercise to cultivate a unique vision, mission and set of long-term goals. The second phase will occur in FY 2023-24, where each Department will develop unique performance indicators that are relevant to their nature of business. As a result of these efforts, Performance Measure information is not shown in the FY 2023-24 Budget, in anticipation of the new set of indicators being prepared for the FY 2024-25 Budget.

A city with infrastructure that meets its current and future needs

Improve effectiveness and efficiency of maintenance and operations of City facilities and infrastructure. Implement enhancements to the City's roadways, bicycle and pedestrian routes, and transit system.

Provide infrastructure that supports business attraction and expansion. Plan for future transportation technologies and innovations.

Align funding with the City's infrastructure goals.

- **Kammerer Road Widening and Extension:** This project (WTR014) is programmed in the current CIP as a divided two-lane extension of Kammerer Road from Lent Ranch Parkway to Interstate 5. This initial work is the first phase of a larger four-lane project currently in the environmental phase, with the California Environmental Quality Act work complete, and the National Environmental Policy Act work still in progress. There is sufficient funding to complete the design and acquire the needed right of way for the two-lane extension from Bruceville Road to I-5. This work will leave the City with a shovel-ready \$93 million construction project, that will need \$65 million in grant funding. Staff intends to follow a dual-track strategy for grant funding. The first track will assume funding comes in smaller increments. Therefore, construction would occur in phases heading east to west. The second track will be to try and fund the entire four-lane project from various state and federal sources. The key to overall success, no matter the track used, will be to get the entire two-lane extension shovel ready.
- **Laguna Creek Inter-Regional Trail :** The Laguna Creek Trail has been identified as the highest-priority trail corridor by the Elk Grove Trails Committee. This regional trail will provide access to a variety schools, transit, disadvantaged communities, and residential and commercial uses along the corridor. The limits of the trail begin in the rural area of Elk Grove and will follow Laguna Creek in a northwest direction across the City to Franklin Boulevard and the Cycle Track, which connects to a City of Sacramento light rail station and a future passenger rail station. The Inter-Regional Trail has several gaps that need to be closed for it to function as an inter-regional facility. When complete, this trail will include 7.6 miles within Elk Grove and 2.75 miles within Sacramento. FY 2023-24 includes further funding for this effort. The City recently received a \$6.9 million grant from the Sacramento Area Council of Governments (SACOG) in addition to a \$2 million federal earmark for this project that are anticipated to carry the project through construction, which is anticipated to be in 2026. The design contract was awarded in March 2023.

- **Elk Grove Library:** The City purchased the building and site located at 9260 Elk Grove Boulevard, formerly occupied by Rite-Aid, in April of 2021, for use as an expanded library. The City secured a Building Forward Grant of \$4,465,374 and received \$3,000,000 in the 2022 California State Budget through a Targeted Grant to fund library improvements (project WFC046). These funds will be used to remodel the existing building and move existing library furnishings, fixtures, and equipment from 8900 Elk Grove Boulevard, if needed. The design is underway, and construction is anticipated in the winter of 2024.
- **Storm Drainage Master Plan Initiatives:** Staff plans to install rain, water level, and flow meter gauges within the City's creeks and channels to better assist the Operations and Maintenance Division and Emergency Operations Center with flood fighting and flood preparation. The department will also gather high-quality LiDAR topography of the City to update the 200-year floodplain map.
- **Traffic Congestion Management Plan:** Specific strategies are being identified for more efficient management of the City's traffic system. This includes continuing to fund traffic data collection and analysis as well as the implementation of several pilot studies to examine new technologies and traffic management strategies that could make the system more efficient.

Conclusions & Acknowledgments

I want to acknowledge and thank Budget Manager Shay Narayan, Finance and Budget Analysts Matt Ruiz, Cecilia Long, and Maria Phillips for their hard work and dedication in preparing this document. I also want to thank Finance Director Matthew Paulin, Finance Manager Kara Taylor-Seeman, Finance Analyst Renee Autar, and Administrative Analyst Jannet Meyer for their contributions and support of the Budget team. Additionally, I thank the Mayor and City Council for promoting and supporting fiscally-sustainable practices.

A preview of the Budget was presented to the Council at the May 24 Council meeting, with an opportunity for questions, comments, and direction. Staff will present the Budget for further discussion, deliberation, and possible adoption at the June 14th Council meeting. The Budget may be adopted on June 14th or June 28th.

My staff and I look forward to working with you as you review the proposed budget. During your review, please contact me with any questions that you or the public may have concerning the Proposed FY 2023-24 Budget.

Respectfully submitted,



Jason A. Behrmann
City Manager

City of Elk Grove – City Council

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, June 14, 2023 at 6:00 p.m.**, or as soon thereafter as the matter may be heard, at the City Hall Council Chambers, 8400 Laguna Palms Way, Elk Grove, California, the City Council of the City of Elk Grove shall hold a public hearing whereby oral and written presentations may be made and consideration given in regard to adoption of the Budget for Fiscal Year (FY) 2023-24, and the Capital Improvement Program (CIP) for Fiscal Years (FYs) 2023-24 through 2027-28.

The Budget recommendations for the coming year are based upon the Mission, Vision and Goals for FY 2023-24 approved by the City Council on April 12, 2023. Key themes of the FY 2023-24 Budget are noted below:

- Maintains and enhances the level of service to the residents of Elk Grove, with continued focused efforts on public safety, affordable housing/homelessness, traffic, and economic development.
- Establishes a sustainable, structurally balanced fiscal plan throughout the five-year forecast period.
- Provides funding for and programming of City Council Priority Projects.
- Continues to increase reserves based on the adopted General Fund Reserve Policy based on fiscal best practices.

The Council will also consider amendments to the appropriations limit and the appropriations subject to the limit pursuant to Article XIIB of the California Constitution for FY 2023-24.

The proposed CIP includes but is not limited to the following types of projects:

Alternative Transportation Modes

Examples of improvements for this type of project include:

- Curb ramps (installations or retrofits)
- Americans with Disabilities Act (ADA) improvements
- Sidewalk infill
- Trails
- Bike lanes or bike routes

Community Enhancements

Examples of infrastructure that undergo improvements of this project type are:

- Landscaping
- Plazas
- Parks
- Street Lighting

Drainage

Examples of infrastructure that undergo improvements of this project type are:

- Culverts
- Roadside ditches
- Underground drainage systems
- Outfalls
- Channels/swales
- Detention basins

- Pump stations
- Creeks
- Weirs
- Stream gauges
- Flood control facilities/levee improvements
- Erosion and sedimentation control
- Water quality features

Facilities

Examples of facilities that undergo improvements of this project type are:

- City Hall Campus
- Corporation Yard
- Animal Shelter
- District56
- Special Waste Collection Center (SWCC)
- Library
- Teen Center
- Other City Facilities

Transportation

Examples of facilities or improvements of this project type are:

- Roads (new construction or widening)
- Pavement resurfacing or reconstruction
- Traffic control (signing, striping, signals, and roundabouts)
- Intelligent Transportation Systems (ITS)
- Traffic calming (traffic circles, speed control)

Information regarding this item is available by contacting Budget Manager Shay Narayan at 916-478-2232 or by email at snarayan@elkgrovecity.org.

All interested persons are invited to present their views and comments on this matter at the public hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 8401 Laguna Palms Way, 1st Floor, Elk Grove, CA, 95758, at or prior to the close of the public hearing.

Dated / Published: June 2, 2023

JASON LINDGREN
CITY CLERK, CITY OF ELK GROVE

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (916) 478-3635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.